

California Wage and Tax Facts 2025

MINIMUM WAGE

**Minimum Wage:	\$	16.50
Minimum Cash Wage:	\$	16.50
(Tipped Employee)		
Maximum Tip Credit:		Not allowed
Effective: 1/1/25		
**multiple cities/municipalities/industries have their own minimum wage		

STATE INCOME TAX

Wage Withholding:		Tables
Supplemental Wage/Bonus Rate:		6.6%*
*except 10.23% for bonuses & stock option earnings		

UNEMPLOYMENT INSURANCE

Maximum Taxable Earnings:	\$	7,000
Employee Deduction:		None
Employer Tax Rates:		1.5 - 6.2%
Standard New Employer Rate:		3.40%
Voluntary Contribution Permitted:		No

DISABILITY INSURANCE

Maximum Taxable Earnings:		None
Employee Deduction Rate:		1.20%
Employer Contribution:		None

LOCAL INCOME TAXES

Please contact your payroll specialist for details.

RECIPROCITY RULES

None

WORKERS' COMPENSATION

Please contact your insurance provider for details

STAFFING SERVICES SUBJECT TO SALES TAX

Currently no legislation

AGENCY WEBSITES

Franchise Tax Board: www.ftb.ca.gov
 Employment Development Dept: www.edd.ca.gov
 New Hire Reporting:
http://www.edd.ca.gov/payroll_taxes/new_hire_reporting.htm