



## Federal Withholding

Six basic tax brackets remain the same: 10%, 15%, 25%, 28%, 33%, or 35%. Amounts are found in IRS Circular E.

## FICA (Social Security) Tax

	Maximum Wage Base	Tax Rate
Medicare Basic Hospital Insurance Portion (MBHI)	No limit	1.45%
Old-Age, Survivors, and Disability Insurance portion (OASDI)	\$106,800	6.20%
<b>Total FICA Tax</b>		<b>7.65%</b>

## Federal Unemployment Tax

0.8% of the first \$7,000 of wages for each employee.

## PA Unemployment Tax

- + Employer: State will notify you of contribution rate; applied to first \$8,000 of wages for each employee.
- + Employee: .06% of all wages (no limit).

## PA Personal Income Tax

3.07% of wages.

## Self-Employment Tax

	Rate	Wage Base	Total Tax
Medicare Basic Hospital Insurance Portion (MBHI)	2.90%	unlimited	unlimited
Old-Age, Survivors, and Disability Insurance portion (OASDI)	12.40%	\$106,800	\$13,243.20

## 401(k), 403(b) and 457 Plan Contribution Limit

\$16,500; \$5,500 additional deferral for age 50 and over.

## Simple Plans

\$11,500; \$2,500 Additional deferral for age 50 and over.

## Minimum Wage

\$7.15; increases to \$7.25 on July 24, 2009

## Social Security Benefits

Maximum amount retired employees can earn before losing Social Security benefits:

- + Under full retirement age (FRA): \$14,160 (\$1,180/month)
- + In year of FRA: \$37,680 (\$3,140/month)
- + FRA and over: no limitations

## Automobile Mileage Reimbursement Rate

- + \$.55 per mile for business use
- + \$.14 per mile for charitable use
- + \$.24 per mile for medical or moving

## Local Services Tax (PA)

Generally \$52.00 (Deducted \$1.00/week) with an exemption for those whose total earned income is less than \$12,000.00 for the calendar year. Check with your local EIT Bureau.

## Select City Taxes

	Resident	Non-Resident
+ Philadelphia Wage Tax	3.93%	3.50%
+ Pittsburgh Earned Income Tax	3.00%	1.00%
+ Reading Earned Income Tax	2.70%	1.00%

## New for S Corporations + LLCs in 2009

Effective January 1, 2009 for payroll tax reporting and filings, single member LLCs are required to use an EIN number assigned specifically to the LLC. Single member LLCs are no longer able to use EINs assigned when they were a sole proprietor.

## Insurance and Auto

For information and benefit calculation forms, please visit the Resources Links + Publications section of [www.herbein.com](http://www.herbein.com).



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