



Client Alert

A Murrill, Eakes & Co. Publication

FOR EMPLOYERS JANUARY 2010

2010 Employment Tax Rates and Limitations

EMPLOYERS

Social Security - FICA (OASDI)	
Maximum taxable wage	\$ 106,800
Withholding rate:	
Employee	6.2%
Employer	6.2%
Maximum to be withheld	\$ 6,621.60

Medicare - FICA	
Maximum taxable wage	No limit
Withholding rate:	
Employee	1.45%
Employer	1.45%
Maximum to be withheld	No limit

Federal Unemployment Insurance	
Maximum taxable wage	\$ 7,000
FUTA rate	0.8%
Maximum contribution	\$ 56

SELF-EMPLOYED

Self-Employment Medicare	
Maximum taxable wage	No limit
Rate	2.9%
Maximum to be paid	No limit

Maximum elective 401(k),403(b),457 deferral	\$ 16,500
Catch-up contribution for participants age 50 and over in 401(k),403(b),457,SEP	\$ 5,500
Simple Retirement Account Plan 408(p)(2)	\$ 11,500
Employment Training Tax	
Maximum taxable wage	\$ 7,000
Rate	0.1%
Maximum contribution (per employee)	\$ 7.00
State Disability – SDI - increased (Employee contribution)	
Maximum taxable wage	\$ 93,316
Rate (same)	1.1%
Maximum to be withheld	\$1,026.48
State Unemployment Insurance (UI)	
Maximum taxable wage	\$ 7,000
Rate (first 3 years then EDD will issue a rate on form 2088)	3.4%
Maximum contribution (per employee) At 3.4% rate	\$ 238

NOTE:

The IRS will assess a penalty for failure to deposit social security taxes, withheld income taxes and federal unemployment taxes as required under the federal tax depository system. The penalty, which can be as low as 2% or as high as 15%, is determined under a four-tiered structure that varies with the timing of when the deposit is actually made. Please contact us if you have any questions about your particular deposit requirements.

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