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2010 Rates and Limits

Summary of Payroll Tax Limits

| FICA | 2010 | 2009 | 2008 |
|-------------------------------------|------------|------------|------------|
| Social Security Wage Base | \$ 106,800 | \$ 106,800 | \$ 102,000 |
| Medicare Wage Base | Unlimited | Unlimited | Unlimited |
| Tax Rate - Combined | 7.65 % | 7.65 % | 7.65 % |
| Social Security Rate | 6.2 % | 6.2 % | 6.2 % |
| Medicare Rate | 1.45% | 1.45 % | 1.45 % |
| Maximum Social Security Withholding | \$ 6,622 | \$ 6,622 | \$ 6,324 |
| Maximum Medicare Withholding | Unlimited | Unlimited | Unlimited |
| FUTA | 2010 | 2009 | 2008 |
| Taxable Wage Base per Employee | \$ 7,000 | \$ 7,000 | \$ 7,000 |
| Gross Tax Rate | 6.2 % | 6.2 % | 6.2 % |
| Net Tax Rate | 0.8 % | 0.8 % | 0.8 % |

2010 Standard Mileage Rate

2010 standard mileage rates to be used in computing deductible costs of operating a passenger automobile are as follows (cents per mile):

| | 2010 | 2009 |
|--------------------|------|------|
| Business Use | 50 | 55 |
| Charitable Use | 14 | 14 |
| Medical and moving | 16.5 | 24 |

Under the annual lease valuation method for computing the value of the personal use of an employer provided automobile, you must include the cost of the gasoline at the rate of 5.5 cents per mile.

Need Help?

If you require further information on other rates and limits, please contact our tax professionals:

202.331.9880 or 866.464.2839 (toll free)
info@calibrecpa.com

Other Limits

| | 2010 | 2009 | 2008 |
|--|------------|------------|------------|
| Maximum Contribution 401(k) and 403(b) Plans | \$ 16,500 | \$ 16,500 | \$ 15,500 |
| Maximum Annual Defined Benefit Under §415(b) | \$ 195,000 | \$ 195,000 | \$ 185,000 |
| Maximum Annual Defined Contribution Under §415(c) | \$ 49,000 | \$ 49,000 | \$ 46,000 |
| Maximum Annual Compensation for Determining Benefits or Contributions Under a Qualified Plan | \$ 245,000 | \$ 245,000 | \$ 230,000 |
| Test to Identify Highly Compensated Employees | \$ 110,000 | \$ 110,000 | \$ 105,000 |
| Maximum Pretax Contribution by Employees to SIMPLE Retirement Accounts §408(p) | \$ 11,500 | \$ 11,500 | \$ 10,500 |
| §457 Deferral Limit | \$ 16,500 | \$ 16,500 | \$ 15,500 |
| Catch Up Contribution Limit (ages 50 or over) | \$ 5,500 | \$ 5,500 | \$ 5,000 |
| SIMPLE Catch Up Deferral (ages 50 or over) | \$ 2,500 | \$ 2,500 | \$ 2,500 |
| Medicare (Part B) Monthly Coverage | \$ 96.40 | \$ 96.40 | \$ 96.40 |
| Maximum Annual Earnings for Retirees - Exempt Amount* | | | |
| Under 65 | \$ 14,160 | \$ 14,160 | \$ 13,560 |
| Over 65 | Unlimited | Unlimited | Unlimited |

* A modified test applies for the year an individual reaches age 65. One dollar in benefits will be withheld for every three dollars in earnings above the limit.