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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)
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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.