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2012 Rates and Limits

Summary of Payroll Tax Limits

FICA	2012	2011	2010
Social Security Wage Base	\$ 110,100	\$ 106,800	\$ 106,800
Medicare Wage Base	Unlimited	Unlimited	Unlimited
Employer Tax Rate – Combined	7.65%	7.65%	7.65%
Employee Tax Rate – Combined ⁽³⁾	TBD	5.65%	7.65%
Social Security Rate ⁽³⁾	4.20%	4.20%	6.20%
Medicare Rate	1.45%	1.45%	1.45%
Maximum Social Security Withholding ⁽³⁾	TBD	\$ 4,486	\$ 6,622
Maximum Medicare Withholding	Unlimited	Unlimited	Unlimited
FUTA	2012	2011	2010
Taxable Wage Base per Employee	\$ 7,000	\$ 7,000	\$ 7,000
Gross Tax Rate	6.00%	6.20% / 6.00% ⁽¹⁾	6.20%
Net Tax Rate	.06%	0.80%	0.80%

2012 Standard Mileage Rates

2012 standard mileage rates to be used in computing deductible costs of operating a passenger automobile are as follows (cents per mile):

	2012	2011	2010
Business Use	55.5	51.0 / 55.5 ⁽¹⁾	50.0
Charitable Use	14.0	14.0	14.0
Medical / Moving	23.0	19.0 / 23.5 ⁽¹⁾	16.5

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

Other Limits

	2012	2011	2010
Maximum Contribution 401(k) and 403(b) Plans	\$ 17,000	\$ 16,500	\$ 16,500
Maximum Annual Defined Benefit Under §415(b)	\$ 200,000	\$ 195,000	\$ 195,000
Maximum Annual Defined Contribution Under §415(c)	\$ 50,000	\$ 49,000	\$ 49,000
Maximum Annual Compensation for Determining Benefits or Contributions Under a Qualified Plan	\$ 250,000	\$ 245,000	\$ 245,000
Test to Identify Highly Compensated Employees	\$ 115,000	\$ 110,000	\$ 110,000
Maximum Pretax Contribution by Employees to SIMPLE Retirement Accounts §408(p)	\$ 11,500	\$ 11,500	\$ 11,500
§457 Deferral Limit	\$ 17,000	\$ 16,500	\$ 16,500
Catch Up Contribution Limit (ages 50 or over)	\$ 5,500	\$ 5,500	\$ 5,500
SIMPLE Catch Up Deferral (ages 50 or over)	\$ 2,500	\$ 2,500	\$ 2,500
Medicare (Part B) Monthly Coverage	\$99.90	\$ 96.40	\$ 96.40
Max. Ann. Earnings for Retirees—Exempt Amount ⁽²⁾			
Under 65	\$ 14,640	\$ 14,160	\$ 14,160
Over 65	Unlimited	Unlimited	Unlimited

- (1) Before 07-01 and after 06-30.
- (2) 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.
- (3) At the time of this release, the 4.20% rate has been extended through February 29, 2012. We will keep you posted as the situation develops.