



## 2010 Payroll Processing Facts

Federal Facts		
Federal Income Tax		See Circular E
Maximum Social Security Wages		\$106,800
Maximum Medicare Wages		None
Social Security Tax Rate for Employee & Employer		6.20%
Medicare Tax Rate for Employee & Employer		1.45%
Federal Unemployment Compensation:	Wage Base	\$7,000
FUTA Employer Rate		0.80%
Federal Minimum Wage Rate		\$7.25/hour as of July 24, 2009
IRS Standard Mileage Rate		\$.50/mile (50 cents)

Pennsylvania Facts		
PA Income Tax Withholding		3.07%
PA Unemployment Compensation:	Wage Base	\$8,000
PA Unemployment Withholding		0.08%
PAUC Employer Contribution Rate	Employer notified by the state	
PA Minimum Wage Rate		\$7.25/hour as of July 24, 2009

Maryland and West Virginia Facts		
Maryland Minimum Wage Rate		\$7.25/hour as of July 24, 2009
West Virginia Minimum Wage Rate		\$7.25/hour as of July 1, 2008

Local Facts for Pennsylvania Payroll		
Local Income Tax Withholding Rate		Varies by taxing jurisdiction
Local Services Tax (LST) <i>(Previously known as EMST)</i>		\$10 - \$52 as required based on employer location
<p><b>LST Reminder:</b> If LST is more than \$10, payroll deduction must be divided equally across all paychecks for the entire year. For example: A \$52 LST in a bi-weekly payroll set up, must be deducted at the rate of \$2 each pay. <b>ALSO, a new exemption</b> form must be completed for any employee claiming an exemption.</p>		

Retirement Plan Contributions		
401K Plan Limitation		\$ 16,500
401K over age 50 catch up limitation		\$ 5,500
SIMPLE Plan Limitation		\$ 11,500
SIMPLE over age 50 catch up limitation		\$ 2,500



## 2010 Federal Income Tax Calculations

### *If Taxable Income Is*

Over	Not More Than		The Tax Is	Of the Amount Over
<b>Married Filing Jointly</b>				
\$ -	\$ 16,750		\$0 + 10%	\$ -
16,750	68,000		1,675.00 + 15%	\$ 16,750
68,000	137,300		9,362.50 + 25%	\$ 68,000
137,300	209,250		26,687.50 + 28%	\$ 137,300
209,250	373,650		46,833.50 + 33%	\$ 209,250
373,650			101,085.50 + 35%	\$ 373,650
<b>Married Filing Separately</b>				
\$ -	\$ 8,375		\$0 + 10%	\$ -
8,375	34,000		837.50 + 15%	\$ 8,375
34,000	68,650		4,681.25 + 25%	\$ 34,000
68,650	104,625		13,343.75 + 28%	\$ 68,650
104,625	186,825		23,416.75 + 33%	\$ 104,625
186,825			50,542.75 + 35%	\$ 186,825
<b>Head of Household</b>				
\$ -	\$ 11,950		\$0 + 10%	
11,950	45,550		1,195.00 + 15%	\$ 11,950
45,550	117,650		6,235.00 + 25%	\$ 45,550
117,650	190,550		24,260.00 + 28%	\$ 117,650
190,550	373,650		44,672.00 + 33%	\$ 190,550
373,650			105,095.00 + 35%	\$ 373,650
<b>Single</b>				
\$ -	\$ 8,375		\$0 + 10%	
8,375	34,000		837.50 + 15%	\$ 8,375
34,000	82,400		4,681.25 + 25%	\$ 34,000
82,400	171,850		16,781.25 + 28%	\$ 82,400
171,850	373,650		41,827.25 + 33%	\$ 171,850
373,650			108,421.25 + 35%	\$ 373,650
<b>Estates and Trusts</b>				
\$ -	\$ 2,300		\$0 + 15%	\$ -
2,300	5,350		345.00 + 25%	\$ 2,300
5,350	8,200		1,107.50 + 28%	\$ 5,350
8,200	11,200		1,905.50 + 33%	\$ 8,200
11,200			2,895.50 + 35%	\$ 11,200

Standard Deductions	Annual	Age 65 and Over or Blind
Married Filing Jointly/Surviving Spouse	\$ 11,400	\$ 1,100
Married Filing Separately	5,700	1,100
Head of Household	8,400	1,400
Single	5,700	1,400

<b>Gift and GST Taxes</b>	
Annual Gift Tax Exclusion	\$ 13,000
Lifetime Gift Tax Exclusion	\$ 1,000,000
Lifetime GST Tax Exemption	<i>Estate Tax repealed</i>

<b>Health Savings Accounts</b>	
Indiv. Annual Limit	\$3,050
Family Annual Limit	\$6,150

Information current as of Jan. 2010

**For Updates and Questions, please contact us at one of our four south central PA offices**

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