



**Payroll Fact Sheet
2009 Tax Information**

FICA TAX	2009
Social Security Tax Rate	6.2%
Social Security Wage Base	\$106,800
Maximum Social Security Tax	\$6621.60
Medicare Tax Rate	1.45%
Medicare Wage Base	No Limit

Federal Unemployment (FUTA)Tax:

The 2009 FUTA tax rate is 6.2%. The tax applies to the first \$7000 you pay each employees wages during the year. You can take a credit against your FUTA tax for amounts you paid into state unemployment funds. This credit cannot be more than 5.4% of taxable wages. If you are entitled to the maximum 5.4% credit, the FUTA tax rate after the credit is .8%

State of Michigan Withholding Tax:

The withholding rate for 2009 is 4.35%. The personal exemption amount is \$3,500.

State of Massachusetts Withholding Tax:

The withholding rate for 2009 is 5.30%. The personal exemption amount is \$4,125.

State of Michigan Unemployment Tax:

The standard *new account-withholding* rate is 2.7%. The taxable wage base is \$9,000 for 2009. Withholding rates will be determined annually based on prior employer experience.

State of Massachusetts Unemployment Tax:

The standard *new employer* rate is 2.83%. (Construction Industry – 6.99%) The taxable wage base is \$14,000 for 2009. Withholding rates will be determined annually based on prior employer experience.

Self-Employment Tax:

The 2009 social security wage base for self-employed individuals has increased to \$ 102,000 with the social security and Medicare tax rates remaining the same.

Deferred Compensation Limits:

401-k, 403-b, SAR-SEP and 457 Plans increases to \$16,500 with a “catch-up” provision for employees 50 and older for another \$5,000. SIMPLE plans increase to \$11,500 with a “catch-up” provision for employees 50 and older for an additional \$2500.

Annual benefit limit for defined benefit plans:

The annual index for employer paid basic match is \$245,000. The annual contribution limit for defined contribution plans will be \$49,000. The limit on compensation that may be taken into consideration under a plan will remain at \$245,000.

Standard mileage rate:

\$ 0.55 per business mile.

Minimum Wage:

Federal - \$6.55/hr -- *Michigan* - \$7.40/hr -- *Massachusetts* - \$8.00/hr.

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