

1) FICA & Self Employment taxes are comprised

of two components:

a) Social Security (OASDI)

	2010	2011
Maximum Earnings Subject	\$ 106,800	\$ 106,800
Tax Rate (Employee)	6.2%	4.2%
Maximum FICA Tax (Employee)	6,621.60	4,485.60
Tax Rate (Employer)	6.2%	6.2%
Maximum FICA Tax (Employer)	6.2%	6,621.60
Tax Rate (Self Employed)	12.4%	10.4%
Maximum FICA (Self-Employed)	13,243.20	11,107.20

* **New for 2011:** Employee SS rate is now 2% less than employer SS rate

b) Medicare Tax

Maximum Earnings Subject	No Ceiling	No Ceiling
Tax Rate (Employee)	1.45%	1.45%
Maximum Medicare Tax (Employee)	No Limit	No Limit
Tax Rate (Self Employed)	2.90%	2.90%
Maximum Medicare (Self-Employed)	No Limit	No Limit

2) Standard Deduction

Joint or Qualifying Widow(er)	11,400	11,600
Single	5,700	5,800
Head of Household	8,400	8,500
Married Filing Separately	5,700	5,800
Taxpayer Claimed as Dependent	950	950
Additional for Elderly or Blind:		
Married	1,100	1,150
Unmarried	1,400	1,450

3) Personal/Dependent Exemption

	3,650	3,700
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4) Unearned Income - Kiddie Tax- Now applies to Students under age 24

	1,900	1,900
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Unearned income of a child under age 18 in excess of indicated amounts is taxed at parent's rate, if higher.
Also applies to a student ages 19 to 23 whose earned income is not more than half of the child's support

5) Alternative Minimum Tax Rate

Married filing joint & Single:
Married Filing Separate:

2010	2011
26% on first \$175,000	26% on first \$175,000
26% on first \$87,500	26% on first \$87,500
28% on excess	28% on excess

6) Social Security Benefits Increase

2010	2011
None	None

7) Earnings Ceiling for Social Security

Between ages of 62 and before the calendar year the retiree turns 65

Annual Total

2010	2011
14,160	14,160

Monthly Average

2010	2011
1,180	1,180

From January 1st of the year the retiree turns 65.

through the month the retiree is 65 and 6 mo. for those born in 1940
and 65 and 8 mo. for those born in 1941.

Annual Total

2010	2011
37,680	37,680

Monthly Average

2010	2011
3,140	3,140

From the first day of the first full month the retiree reaches
full retirement age

2010	2011
No Limit	No Limit

8) Medicare Part B Fee (Monthly) Based on Modified Adjusted Gross Income at Various Income Levels Below

Individuals from:

Married couples from:

\$0-85,000	\$0-170,000	\$110.50	\$115.40
\$85,001-\$107,000	\$170,001-\$214,000	\$154.70	\$161.50
\$107,001-\$160,000	\$214,001-\$320,000	\$221.00	\$230.70
\$160,001-\$214,000	\$320,001-\$428,000	\$287.30	\$299.90
above \$214,000	above \$428,000	\$353.60	\$369.10

9) PA Income Tax Rate

2010	2011
3.07%	3.07%

	2010	2011
<u>10) Philadelphia City Wage Tax</u>		
Residents 7/1/09-6/30/10	3.9296%	
Residents 6/30/10-12/31/11	3.928%	
Non-Residents 7/1/09-6/30/10	3.4997%	
Non-Residents 6/30/10-12/31/11	3.4985%	
<u>11) Pennsylvania Unemployment Employee Withholding Tax</u>	.08%	.08%
<u>12) NJ Unemployment Taxable Wage Base</u>	29,700	29,600
<u>13) NJ Unemployment Employee Tax</u>	1.0450%	?
<u>14) Federal Unemployment Tax (FUTA)</u>		
Wages Subject	7,000	7,000
Rate	.8%(.008)	.8%(.008)
Cost for each employee earning \$7,000 or more	56.00	56.00
<u>15) Federal, PA, NJ & DE Minimum Wage</u>	7.25/hr	
<u>16) Deduction Limits for Automobiles</u>		
<u>Luxury Autos</u>		
First year	*11,060	*11,060
Second year	4,900	4,900
Third year	2,950	2,950
Thereafter	1,775	1,775
<u>Light Trucks, Vans and SUV's</u>		
First Year	*11,060	*11,260
Second Year	5,100	5,200
Third Year	3,050	3,150
Thereafter	1,875	1,875

*Includes \$8,000 1st year bonus depreciation.

	<u>2010</u>	<u>2011</u>
<u>17) Standard Mileage Allowance - Cents per Mile</u>		
Business Use	50	*55.5
Medical and Moving	16.5	23.5
Charity	14	14
*As of July 1, 2011: (1/1/11 - 6/30/11 Business Use 51; Medical and Moving 19; Charity 14)		
<u>18) Retirement Plans</u>		
Maximum wage eligible for Defined Contribution Plan	245,000	245,000
Maximum contribution percentage - SEP/Profit Sharing	25%	25%
Maximum contribution percentage - defined contribution	100%	100%
Maximum Contribution Amounts:		
Defined Benefit Plan	195,000	195,000
Defined Contribution Plan	49,000	49,000
401K and 403B Plans (under age 50)	16,500	16,500
401K and 403BPlans (age 50 and over)	22,000	22,000
Simple Plans - Max. employee contribution (under age 50)	11,500	11,500
Simple Plans - Max. employee contribution (age 50 and over)	14,000	14,000
Roth and Traditional *Deductible IRA's (under age 50)	5,000	5,000
Roth and Traditional *Deductible IRA's (age 50 and over)	6,000	6,000
*Amount deductible if you are not covered by a retirement plan: The deduction is phased out based on income (AGI) for persons in a retirement plan.		
Traditional deductible spousal IRA (Under Age 50)	5,000	5,000
Traditional deductible spousal IRA (Age 50 and Over)	6,000	6,000
A married taxpayer not in a retirement plan can make a deductible IRA contribution, even if spouse is covered by a retirement plan. This phases out with AGI from \$167-\$177,000 in 2010 and \$169-\$179,000 in 2011.		
<u>19) Annual Exclusion From Gift Tax</u>	13,000	13,000
<u>20) Section 179 - First Year Expense for New Equipment Purchases</u>	500,000	500,000

21) Estate Tax Rates and Exclusions

Estate Tax Maximum Rate
Lifetime Exclusion

0	35%
0	\$5 million

22) Federal Income Tax Rates**2010 Married Filing Jointly:**

	<u>Over</u>	<u>But Not Over</u>
10.0%	0-	16,750
15.0%	16,750-	68,000
25.0%	68,000-	137,300
28.0%	137,300-	209,250
33.0%	209,250-	373,650
35.0%	373,650-	and greater

2010 Single:

	<u>Over</u>	<u>But Not Over</u>
10.0%	0-	8,375
15.0%	8,375-	34,000
25.0%	34,000-	82,400
28.0%	82,400-	171,850
33.0%	171,850-	373,650
35.0%	373,650-	and greater

2011 Married Filing Jointly:

	<u>Over</u>	<u>But Not Over</u>
10.0%	0-	17,000
15.0%	17,000-	69,000
25.0%	69,000-	139,350
28.0%	139,350-	212,300
33.0%	212,300-	379,150
35.0%	379,150-	and greater

2011 Single:

	<u>Over</u>	<u>But Not Over</u>
10.0%	0-	8,500
15.0%	8,500-	34,500
25.0%	34,500-	83,600
28.0%	83,600-	174,400
33.0%	174,400-	379,150
35.0%	379,150-	and greater

Updated: June 29, 2011