



# 2012 Payroll Tax Rates and Other Matters

Effective January 1, 2012

## Federal Withholding

Six basic tax brackets remain the same: 10%, 15%, 25%, 28%, 33%, or 35%. Amounts are found in IRS Circular E.

## FICA (Social Security) Tax

	Maximum Wage Base	Employer Tax Rate	Employee Tax Rate
Medicare Basic Hospital Insurance Portion (MBHI)	No limit	1.45%	1.45%
Old-Age, Survivors, and Disability Insurance portion (OASDI)	\$110,100	6.20%	4.20%*
<b>Total FICA Tax</b>		<b>7.65%</b>	<b>5.65%</b>

## Federal Unemployment Tax

0.9% of the first \$7,000 of wages for each employee.

## PA Unemployment Tax

- + Employer: State will notify you of contribution rate; applied to first \$8,000 of wages for each employee.
- + Employee: .08% of all wages (no limit).

## PA Personal Income Tax

3.07% of wages.

## Self-Employment Tax

	Maximum Wage Base	Tax Rate
Medicare Basic Hospital Insurance Portion (MBHI)	Unlimited	2.90%
Old-Age, Survivors, and Disability Insurance portion (OASDI)	\$110,100	10.40%*
<b>Total Self-Employment Tax</b>		<b>13.30%</b>

## 401(k), 403(b) and 457 Plan Contribution Limit

\$17,000; \$5,500 additional deferral for age 50 and over.

## Simple Plans

\$11,500; \$2,500 Additional deferral for age 50 and over.

## Minimum Wage

\$7.25

## Social Security Benefits

Maximum amount retired employees can earn before losing Social Security benefits:

- + Under full retirement age (FRA): \$14,640 (\$1,220/month)
- + In year of FRA: \$38,880 (\$3,240/month)
- + FRA and over: no limitations

## Automobile Mileage Reimbursement Rate

- + \$.555 per mile for business use
- + \$.14 per mile for charitable use
- + \$.23 per mile for medical or moving

## Local Services Tax (PA)

Generally \$52.00 (Deducted \$1.00/week) with an exemption for those whose total earned income is less than \$12,000.00 for the calendar year. Check with your local EIT Bureau.

## Select City Taxes

	Resident	Non-Resident
+ Philadelphia Wage Tax	3.93%	3.50%
+ Pittsburgh Earned Income Tax	3.00%	1.00%
+ Reading Earned Income Tax	3.40%	1.10%

## S Corporations + LLCs

For information on S Corps, please visit the Resources Links + Publications section of [www.herbein.com](http://www.herbein.com).

## Insurance and Auto

For more information, please visit the Resources Links and Hub section of [www.herbein.com](http://www.herbein.com).

\* Rate effective through 2/29/2012



**HERBEIN+COMPANY, INC.**  
CERTIFIED PUBLIC ACCOUNTANTS

- + Reading 610.378.1175
- + Pittsburgh 412.392.2345
- + Greensburg 724.834.7053