

2015 RATES AND LIMITS

Summary of Payroll Tax Limits

| FEDERAL INSURANCE CONTRIBUTION ACT (FICA): | <u>2015</u> | <u>2014</u> |
|--|------------------------|------------------------|
| Social Security Wage Base | \$118,500 | \$117,000 |
| Medicare Wage Base | Unlimited | Unlimited |
| Tax Rate - Combined | | |
| - <i>Employee</i> | 7.65% | 7.65% |
| - <i>Employer</i> | 7.65% | 7.65% |
| Social Security Rate | | |
| - <i>Employee</i> | 6.2% | 6.2% |
| - <i>Employer</i> | 6.2% | 6.2% |
| Medicare Rate | 1.45% | 1.45% |
| Additional Employee Medicare Withholding on wages over \$200,000 | 0.9% | 0.9% |
| Maximum Social Security Withholding | \$7,347 | \$7,254 |
| Maximum Medicare Withholding | Unlimited | Unlimited |
| FEDERAL UNEMPLOYMENT TAX ACT (FUTA): | <u>2015</u> | <u>2014</u> |
| Taxable Wage Base Per Employee | \$7,000 | \$7,000 |
| Gross Tax Rate | 6.0% | 6.0% |
| Net Tax Rate | 0.6% | 0.6% |
| STATE UNEMPLOYMENT TAX ACT (SUTA): | <u>2015</u> | <u>2014</u> |
| California..... | \$7,000 | \$7,000 |
| Florida..... | TBD | \$8,000 |
| Illinois..... | \$12,960 | \$12,960 |
| Indiana..... | \$9,500 | \$9,500 |
| Iowa..... | \$27,300 | \$26,800 |
| Kansas..... | \$12,000 | \$8,000 |
| Kentucky..... | \$9,900 | \$9,600 |
| Michigan..... | \$9,500 | \$9,500 |
| Minnesota..... | \$30,000 | \$29,000 |
| Missouri..... | \$13,000 | \$13,000 |
| North Dakota..... | \$35,600 | \$33,600 |
| Ohio..... | \$9,000 | \$9,000 |
| Pennsylvania..... | \$9,000 | \$8,750 |
| South Dakota..... | \$15,000 | \$14,000 |
| Wisconsin..... | \$14,000 | \$14,000 |

Please check our website for updated information.

Please contact us for information on other states.
 Our Annual Tax Releases are posted on www.legacycpas.com.

Standard Mileage Rates

The standard mileage rates to be used in computing deductible costs of operating a passenger automobile are as follows:

| | <u>2015</u> | <u>2014</u> |
|-------------------------------------|-------------|-------------|
| Business Use (cents per mile) | 57.5 | 56 |
| Medical and Moving (cents per mile) | 23 | 23.5 |
| Charitable Use (cents per mile) | 14 | 14 |

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 gasoline at the rate of 5.5 cents per mile for both 2015 and 2014.

Qualified Transportation Fringe Benefit

| | <u>2015</u> | <u>2014</u> |
|--|-------------|-------------|
| Monthly Fringe Benefit Exclusion Limit for Transportation in a Commuter Highway Vehicle and any Transit Pass | \$130 | \$130 |
| Monthly Fringe Benefit Exclusion Limit for Qualified Parking | \$250 | \$250 |

Other Limits

| | <u>2015</u> | <u>2014</u> |
|--|-------------|-------------|
| Maximum Contribution 401(k) Plans and 403(b) Plans | \$18,000 | \$17,500 |
| Catch-up Contributions for Individuals Age 50 or Over (non-SIMPLE) | \$6,000 | \$5,500 |
| Maximum Contribution to an Individual Retirement Account | \$5,500 | \$5,500 |
| Catch-up Contributions for Individuals Age 50 or Over (IRA) | \$1,000 | \$1,000 |
| Maximum Annual Defined Benefit Under Section 415(b) | \$210,000 | \$210,000 |
| Maximum Annual Defined Contribution Under Section 415(c) | \$53,000 | \$52,000 |
| Maximum Annual Compensation for Determining Benefits or Contributions Under a Qualified Plan | \$265,000 | \$260,000 |
| Test to Identify Highly Compensated Employees | \$120,000 | \$115,000 |
| Maximum Pretax Contribution by Employees to SIMPLE Retirement Accounts Under Section 408(p) | \$12,500 | \$12,000 |
| Catch-up Contributions for Individuals Age 50 or Over (SIMPLE) | \$3,000 | \$2,500 |
| Section 457 Deferral Limit | \$18,000 | \$17,500 |
| Medicare (Part B) Monthly Coverage * | \$104.90* | \$104.90* |
| Maximum Annual Earnings for Retirees - Exempt Amount: | | |
| Below Full Retirement Age** | \$15,720 | \$15,480 |
| Full Retirement Age | Unlimited | Unlimited |

NOTES: *In 2015, single beneficiaries with annual income over \$85,000 and married couples with income over \$170,000 will pay a higher percentage of the cost of Medicare Part B Coverage. The standard premium rate for 2015 is \$104.90 for new beneficiaries, which is the same as in 2014. For additional premium rates see table at www.medicare.gov.

**A modified test applies for the year an individual reaches full retirement age. One dollar in benefits will be withheld for every three dollars in earnings above the limit. The monthly limit is \$3,490 for 2015. The test applies to earnings for months prior to attaining full retirement age.

Please let us know if you have any questions or need any additional information.

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