

LEGACY
PROFESSIONALS LLP
CERTIFIED PUBLIC ACCOUNTANTS

2025 Rates & Limits

Summary of Payroll Tax Limits		
Federal Insurance Contribution Act (FICA):	2025	2024
Social Security Wage Base	\$176,100	\$168,600
Medicare Wage Base	Unlimited	Unlimited
Tax Rate - Combined		
-Employee	7.65%	7.65%
-Employer	7.65%	7.65%
Social Security Rate		
-Employee	6.20%	6.20%
-Employer	6.20%	6.20%
Medicare Rate	1.45%	1.45%
Additional Employee Medicare Withholding on wages over \$200,000	0.90%	0.90%
Maximum Social Security Withholding	\$10,918.20	\$10,453.20
Maximum Medicare Withholding	Unlimited	Unlimited
Federal Unemployment Tax Act (FUTA):	2025	2024
Taxable Wage Base Per Employee	\$7,000	\$7,000
Gross Tax Rate	6.00%	6.00%
Net Tax Rate	0.60%	0.60%
State Unemployment Tax Act (SUTA):	2025	2024
California	\$7,000	\$7,000
Florida	\$7,000	\$7,000
Illinois	\$13,916	\$13,590
Indiana	\$9,500	\$9,500
Iowa	\$39,500	\$38,200
Kansas	\$14,000	\$14,000
Kentucky	\$11,700	\$11,400
Michigan	\$9,000	\$9,500
Minnesota	\$43,000	\$42,000
Missouri	\$9,500	\$10,000
North Dakota	\$45,100	\$43,800
Ohio	\$9,000	\$9,000
Pennsylvania	\$10,000	\$10,000
South Dakota	\$15,000	\$15,000
Wisconsin	\$14,000	\$14,000

Please contact us for information on other states.

Our Annual Tax Releases and updated information can be found at www.legacypas.com.

Standard Mileage Rates		
The standard mileage rates to be used in computing deductible costs of operating a passenger automobile are as follows:		
	2025	2024
Business Use (cents per mile)	70.0	67.0
Medical and Moving * (cents per mile)	21.0	21.0
Charitable Use (cents per mile)	14.0	14.0
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 2025 and 2024.		
Qualified Transportation Fringe Benefit		
	2025	2024
Monthly Fringe Benefit Exclusion Limit for Transportation in a Commuter Highway Vehicle and any Transit Pass	\$325	\$315
Monthly Fringe Benefit Exclusion Limit for Qualified Parking	\$325	\$315
Other Limits		
	2025	2024
Maximum Contribution 401(k) Plans and 403(b) Plans	\$23,500	\$23,000
Catch-up Contributions for Individuals Age 50 or Over (non-SIMPLE)	\$7,500	\$7,500
Maximum Contribution to an Individual Retirement Account	\$7,000	\$7,000
Catch-up Contributions for Individuals Age 50 or Over (IRA)	\$1,000	\$1,000
Maximum Annual Defined Benefit Under Section 415(b)	\$280,000	\$275,000
Maximum Annual Defined Contribution Under Section 415(c)	\$70,000	\$69,000
Maximum Annual Compensation for Determining Benefits or Contributions Under a Qualified Plan	\$350,000	\$345,000
Test to Identify Highly Compensated Employees	\$160,000	\$155,000
Maximum Pretax Contribution by Employees to SIMPLE Retirement Accounts Under Section 408(p)	\$16,500	\$16,000
Catch-up Contributions for Individuals Age 50 or Over (SIMPLE)	\$3,500	\$3,500
Section 457 Deferral Limit	\$23,500	\$23,000
Medicare (Part B) Monthly Coverage**	\$185.00	\$174.70
Maximum Annual Earnings for Retirees - Exempt Amount:		
Below Full Retirement Age***	\$23,400	\$22,320
Full Retirement Age	Unlimited	Unlimited
NOTES: *The deduction for moving expenses for taxable years beginning after December 31, 2017 and before January 1, 2026 has been suspended for taxpayers other than members of the Armed Forces on active duty who move pursuant to a military order and incident to a permanent change of station.		
**In 2025, single beneficiaries with annual income over \$106,000 and married couples with income over \$212,000 as reported on your 2023 tax return will pay a higher percentage of the cost of Medicare Part B Coverage. The standard premium rate for 2025 is \$185 for new beneficiaries. Most people will pay the standard Part B premium amount. 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 \$5,180 for 2025. 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.

Compiled by: Lisa R. Volland, CPA, Partner, Tax Department