

2014 Payroll Highlights

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FICA Changes

	2013	2014
Social Security (OASDI) Wage Base	\$113,700	\$117,000
Medicare (HI) Wage Base	No Limit	No Limit
Social Security (OASDI) Percentage - Employer	6.2%	6.2%
Social Security (OASDI) Percentage - Employee	6.2%	6.2%
Medicare (HI) Percentage	1.45%	1.45%
Maximum Social Security (OASDI) Withholding - Employer	\$7,049.40	\$7,254.00
Maximum Social Security (OASDI) Withholding - Employee	\$7,049.40	\$7,254.00
Maximum Medicare (HI) Withholding	No Limit	No Limit

Retirement Plan Contribution Limits

	2013	2014
MAXIMUM ANNUAL ELECTIVE DEFERRAL LIMIT TO:		
• Sec. 401(k), 403(b), and 457 plans	\$17,500	\$17,500
• SIMPLE IRA and SIMPLE 401(k) retirement accounts	\$12,000	\$12,000
CATCH-UP CONTRIBUTION LIMIT FOR AGES 50+:		
• 401(k), 403(b), governmental 457 plans, or SEPs	\$5,500	\$5,500
• SIMPLE IRA and SIMPLE 401(k) retirement accounts	\$2,500	\$2,500
ANNUAL CONTRIBUTION LIMIT FOR:		
• Defined contribution plans	\$51,000 or 100% of compensation, whichever is less	\$52,000 or 100% of compensation, whichever is less
ANNUAL COMPENSATION LIMIT	\$255,000	\$260,000

Self-Employment

The 2014 social security wage base for self-employed individuals is \$117,000 with the social security tax rate at 25.3%. There is no Medicare wage limit, and the Medicare tax rate is 1.45% on income up to the threshold amount, then it is 2.35%.

Standard Mileage Rates

Beginning January 1, 2014, the standard mileage rates for the use of a car (including vans, pickups, or panel trucks) will be 56 cents per mile for business miles driven; 23.5 cents per mile driven for medical or moving purposes; and 14 cents per mile driven in service to a charitable organization.

Transportation

The limit on the amount to be excluded from income for either transit passes or a qualified van pool arrangement is \$130 per month for 2014. Tax-free, employer-provided parking is limited to \$250 per month for 2014.

For more information, contact us:

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