

2015 Payroll Highlights

www.payvisiononline.com

[214]442-5888

FICA Changes

	2014	2015
Social Security (OASDI) Wage Base	\$117,000	\$118,500
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	\$7,254.00	\$7,347.00
Maximum Social Security (OASDI) Withholding - Employee	\$7,254.00	\$7,347.00
Maximum Medicare (HI) Withholding	No Limit	No Limit

*Subject to additional Medicare tax withholding rate of 0.9% on earnings in excess of the threshold amount. See Additional Medicare FAQ for more information.

Retirement Plan Contribution Limits

	2014	2015
MAXIMUM ANNUAL ELECTIVE DEFERRAL LIMIT TO:		
• Sec. 401(k), 403(b), and 457 plans	\$17,500	\$18,000
• SIMPLE IRA and SIMPLE 401(k) retirement accounts	\$12,000	\$12,500
CATCH-UP CONTRIBUTION LIMIT FOR AGES 50+:		
• 401(k), 403(b), governmental 457 plans, or SEPs	\$5,500	\$6,000
• SIMPLE IRA and SIMPLE 401(k) retirement accounts	\$2,500	\$3,000
ANNUAL CONTRIBUTION LIMIT FOR:	\$51,000 or 100% of compensation, whichever is less	\$53,000 or 100% of compensation, whichever is less
• Defined contribution plans		
ANNUAL COMPENSATION LIMIT	\$260,000	\$265,000

Self-Employment

The 2015 social security wage base for self-employed individuals is \$118,500 with the social security tax rate at 12.4%. There is no Medicare wage limit, and the Medicare tax rate is 2.9% on income up to the threshold amount, then it is 3.8%.

Standard Mileage Rates

Beginning January 1, 2015, the standard mileage rates for the use of a car (including vans, pickups, or panel trucks) will be 57.5 cents per mile for business miles driven; 23 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 \$250 per month for 2015. Tax-free, employer-provided parking is limited to \$130 per month for 2015.

For more information, contact us:

[214]442-5888 x100 ■ payroll@payvisiononline.com
www.payvisiononline.com

Additional Medicare FAQ

1. When did Additional Medicare Tax start?

Additional Medicare Tax went into effect in 2013 and applies to wages, compensation, and self-employment income above a threshold amount received in taxable years beginning after Dec. 31, 2012.

2. What is the rate of Additional Medicare Tax?

The rate is 0.9 percent.

3. When are individuals liable for Additional Medicare Tax?

An individual is liable for Additional Medicare Tax if the individual's wages, compensation, or self-employment income (together with that of his or her spouse if filing a joint return) exceed the threshold amount for the individual's filing status:

Filing Status	Threshold Amount
MARRIED FILING JOINTLY	\$250,000
MARRIED FILING SEPARATE	\$125,000
SINGLE	\$200,000
HEAD OF HOUSEHOLD (with qualifying person)	\$200,000
QUALIFYING WIDOW(ER) WITH DEPENDENT CHILD	\$200,000

4. What wages are subject to Additional Medicare Tax?

All wages that are currently subject to Medicare Tax are subject to Additional Medicare Tax if they are paid in excess of the applicable threshold for an individual's filing status. For more information on what wages are subject to Medicare Tax, see the chart, Special Rules for Various Types of Services and Payments, in section 15 of Publication 15, (Circular E), Employer's Tax Guide.

5. Are nonresident aliens and U.S. citizens living abroad subject to Additional Medicare Tax?

There are no special rules for nonresident aliens and U.S. citizens living abroad for purposes of this provision. Wages, other compensation, and self-employment income that are subject to Medicare tax will also be subject to Additional Medicare Tax if in excess of the applicable threshold.

For more information, contact us:

[214]442-5888 x100 ■ payroll@payvisiononline.com
www.payvisiononline.com