



Client Alert

A WEST RHODE & ROBERTS PUBLICATION

2008 Employment Tax Rates and Limitations

EMPLOYERS

Social Security - FICA (OASDI)		Maximum elective 401(k) deferral	\$ 15,500.00
Maximum taxable wage	\$ 102,000	Maximum deferral for over 55	\$ 20,500.00
Withholding rate:		Employment Training Tax	
Employee	6.20%	Maximum taxable wage	\$ 7,000.00
Employer	6.20%	Rate	0.10%
Maximum to be withheld	\$6,324.00	Maximum contribution (per employee)	\$ 7.00
Medicare - FICA (HI)		State Disability - SDI	
Maximum taxable wage	No limit	(Employee contribution)	
Withholding rate:		Maximum taxable wage	\$ 86,698.00
Employee	1.45%	Rate	0.80%
Employer	1.45%	Maximum to be withheld	\$ 693.58
Maximum to be withheld	No limit		
Federal Unemployment Insurance		State Unemployment Insurance	
Maximum taxable wage	\$ 7,000.00	Maximum taxable wage	\$ 7,000.00
FUTA rate (decreased by a credit of 5.4% for payments to State Unemployment Fund)	0.80%	Rate (first 3 years then EDD will issue a rate on form 2088)	3.40%
Maximum contribution	\$ 56.00	Maximum contribution (per employee) at 3.4% rate	\$ 238.00

SELF-EMPLOYED

Self-Employment Medicare		Self-Employment Tax	
Maximum taxable wage	No limit	Maximum taxable earnings	\$ 102,000
Rate	2.90%	Rate	12.40%
Maximum to be paid	No limit	Maximum to be paid	\$ 12,648.00

NOTE:

The IRS will assess a penalty for failure to deposit social security taxes, withheld income taxes, and federal unemployment taxes as required under the federal tax depository system. The penalty, which can be as low as 2% or as high as 15%, is determined under a four-tiered structure that varies with the timing of when the deposit is actually made. Please contact us if you have any questions about your particular deposit requirements.



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