

2010 EMPLOYER'S TAX GUIDE

TYPE OF PAYMENT	SOCIAL SECURITY/ MEDICARE	FEDERAL WITHHOLDING	STATE WITHHOLDING	STATE UNEMPLOYMENT	FEDERAL UNEMPLOYMENT	WORKERS' COMPENSATION
AGRICULTURAL	Taxable	Taxable	Exempt*	Exempt except for: 1) an employer who employs 10 or more individuals in such service in at least 20 weeks in the current or preceding calendar year, or 2) an employer who pays at least \$20,000 for such service in any quarter of the current or preceding year	Exempt except for: 1) paid cash wages of \$20,000 or more to farmworkers in any calendar quarter in preceding or current year or, 2) employed 10 or more farmworkers during some portion of a day, whether or not at the same time, for at least one day during any 20 different weeks in the current or preceding year.	Taxable
BONUSES	Taxable	Taxable	Taxable	Taxable	Taxable	Taxable
CAFETERIA PLANS	Exempt	Exempt	Exempt	Taxable (MT) Exempt (ID)	Exempt	Taxable
COMMISSIONS	Taxable	Taxable	Taxable	Taxable	Taxable	Taxable
CORPORATE OFFICERS & MANAGERS OF LLCs	Taxable	Taxable	Taxable	Taxable	Taxable	May be exempt under new rules
401(K) PLAN	Taxable	Exempt	Exempt	Taxable (MT) Exempt (ID)	Taxable	Taxable
HOUSEHOLD EMPLOYEES	Taxable if paid \$1,700 or more per year	Exempt*	Exempt**	Taxable if paid cash wages of \$1,000 or more in any calendar quarter in the current or preceding year	Taxable if paid cash wages of \$1,000 or more in any calendar quarter in the current or preceding year	Exempt
OVERTIME	Taxable	Taxable	Taxable	Taxable	Taxable	Taxable at regular rate, not overtime rate
SOLE PROPRIETOR FAMILY EMPLOYEES						
Spouse	Taxable	Taxable	Taxable	Exempt	Exempt	Exempt based on marital status
Son or Daughter	Under 18 Exempt	Taxable	Taxable	Under 21 Exempt	Under 21 Exempt	Coverage not required if dependant of employer
SICK PAY	Exempt after six calendar months last worked	Taxable	Taxable	Taxable	Exempt after six calendar months last worked	Taxable unless paid by third party
TIPS > \$20 PER MONTH	Taxable	Taxable	Exempt	Taxable	Taxable	Taxable
VACATION	Taxable	Taxable	Taxable	Taxable	Taxable	Taxable
WAGE LIMIT FOR 2010	\$106,800 for Social Security. Unlimited for Medicare	Unlimited	Unlimited	\$26,000 (MT) \$32,200 (ID)***	\$7,000	Special Rues

*Taxable if employer and employee voluntarily agree. **Taxable if paid more than \$1,000 in any calendar quarter. Some exceptions apply.

*** Subject to change 1-1-10

Social Security and Medicare taxes must be reported separately on the 941 and W2. The Social Security tax rate is 6.2% with a wage base of \$106,800 for 2010 and the Medicare tax rate is 1.45% with no wage limit for a total of 7.65%.

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