



INNOVATIVE BUSINESS SOLUTIONS

"A payroll and automation services company"

2009 TAX INFORMATION SHEET

FEDERAL TAX RATES:

	FSOC	FMED
Maximum Earnings	\$106,800	No Limit
Rate of Tax (Employee & Employer Rate)	6.2%	1.45%
Maximum Deduction	\$6,621.60	No Limit
	FUTA	
Maximum Earnings	\$7,000	
Net Tax (After Maximum Allowable Credit)	0.8%	
Federal Withholding Supplemental Tax Rate	25%	
Mileage Reimbursement	\$0.550	

CALIFORNIA TAX RATES:

	CADI	
Maximum Earnings	\$90,669	
Rate of Tax (Employee Rate)	1.1%	
Maximum Deduction	\$997.36	
	CAUI	ETT
Maximum Earnings	\$7,000	\$7,000
New Employer Rate	3.4%	0.1%

CA Withholding Supplemental Rates

* Bonus/Stock Options	9.3%
* All Other Supplemental Pay	6%

* CA Minimum Wage \$8.00

* Overtime Law: Rate of pay times 1.5 after 8 hours in a day or 40 hours in a week. Rate of pay times 2 after 12 hours in a day or after 8 hours on the seventh day.

H.S.A. LIMITS:

<u>Plan</u>	<u>Limit</u>	<u>Catch-Up Contrib.</u> <u>(age 55 & over)</u>
Single	\$3,000	\$1,000
Family	\$5,950	\$1,000

PENSION PLAN LIMITS:

<u>Plan</u>	<u>Limit</u>	<u>Catch-Up Contrib.</u> <u>(age 50 & over)</u>
401k, 403b, ROTH	\$16,500	\$5,500
408p (SIMPLE Plans)	\$11,500	\$2,500
457 (Qualified)	\$16,500	\$5,500
457 (Deferred Compensation)	\$16,500	N/A

FEDERAL TAX DEPOSIT RULES:

Rule	Determination for Base Period	Deposit Requirements	
		Check Day	Deposit Day
Monthly	If the accumulated tax liability is less than or equal to \$50,000 for the base period	Any Day	Deposit Monthly by the 15th of the following month
Semi-Weekly	If the accumulated tax liability is greater than \$50,000 for the base period	Wednesday-Friday	Following Wednesday
		Saturday-Tuesday	Following Friday
Exception Rules	Tax Liability Amount	Deposit Day	
\$2500 Rule	If the tax liability is less than \$2500 for the entire quarter	Liability may be paid with the quarterly tax return	
\$100,000 Rule	If the accumulated tax liability is \$100,000 or more for any check date	Deposit next business day	

The deposit schedule for an employer during a calendar year is based on four quarters. The deposit frequency base period is July 1st to June 30th of the previous year. For 2007, the base period is July-September (3rd qtr) 2005, October-December (4th qtr) 2005, January-March (1st qtr) 2006, April-June (2nd qtr) 2006. The IRS will notify employers of their deposit frequency in November.

However, it is the employer's responsibility to deposit federal taxes at the correct frequency if the notice is wrong.

CALIFORNIA STATE TAX DEPOSIT RULES:

<u>Your Federal Deposit</u>	<u>And You Have Accumulated</u>	<u>SDI & PIT</u>	<u>If Payday</u>	<u>Deposit Due By</u>
<u>Schedule is</u>	<u>State PIT Withholding</u>	<u>Deposit Required</u>	<u>is</u>	
Next Banking Day	\$350 or less	NO	-	Remit w/ quarterly return or report
Next Banking Day	\$350 to \$500	YES	-	15th of following month
Next Banking Day	More than \$500	YES	-	Next Banking Day
Semi-Weekly	\$350 or less	NO	-	Remit w/ quarterly return or report
Semi-Weekly	\$350 to \$500	YES	-	15th of following month
Semi-Weekly	More than \$500	YES	Wed-Fri	Following Wednesday
Semi-Weekly	More than \$500	YES	Sat-Tues	Following Friday
Monthly	\$350 or less	NO	-	Remit w/ quarterly return or report
Monthly	More than \$350	YES	-	15th of following month
Quarterly	Less than \$350	NO	-	Remit w/ quarterly return or report
Quarterly	\$350 or more	YES	-	15th of following month

Employer contribution to SUI and ETT are due quarterly and paid with the DE88 state deposit coupon. For withholding taken from the employee's PIT & SDI, CA state deposit rules generally follow federal deposit guidelines. Once an employer makes a next banking day deposit, they automatically become a semi-weekly depositor for the remainder of that calendar year and all of the following year.