

PAYROLL RATES AND EARNINGS

	<u>2008</u>	<u>2007</u>
PAYROLL TAX RATES		
Social Security Rate - Employer	6.20%	6.20%
Social Security Rate - Employee	6.20%	6.20%
Social Security Wage Base	\$ 102,000.00	\$ 97,500.00
Maximum Social Security Tax - Employee	\$ 6,324.00	\$ 6,045.00
Medicare Rate - Employer	1.45%	1.45%
Medicare Rate - Employee	1.45%	1.45%
Medicare Wage Base	No Limit	No Limit
Maximum Medicare Tax - Employee	No Limit	No Limit
Self-Employment Social Security Rate	12.40%	12.40%
Self-Employment Social Security Wage Base	\$ 102,000.00	\$ 97,500.00
Maximum S.E. Social Security Tax	\$ 12,648.00	\$ 12,090.00
Self-Employment Medicare Rate	2.90%	2.90%
Self-Employment Medicare Wage Base	No Limit	No Limit
Maximum Self-Employment Medicare Tax	No Limit	No Limit
Federal Unemployment Rate	.8 %	.8 %
Federal Unemployment Wage Base	\$ 7,000.00	\$ 7,000.00
Maximum Federal Unemployment per Employee	\$ 56.00	\$ 56.00
Minnesota Unemployment Rates	.40-9.30% ⁽⁵⁾	40-9.30% ⁽⁵⁾
Minnesota New Employer Rate (Non-Construction)	1.98% ⁽⁵⁾	2.13% ⁽⁵⁾
Minnesota Unemployment Wage Base	\$ 25,000.00	\$ 24,000.00
401(K) EXCLUSION		
Maximum Contribution	\$ 15,500.00	\$ 15,500.00
Catch-Up Contribution ⁽¹⁾	\$ 5,000.00	\$ 5,000.00
IRA CONTRIBUTION		
Maximum Contribution	\$ 5,000.00	\$ 4,000.00
Catch-Up Contribution ⁽¹⁾	\$ 1,000.00	\$ 1,000.00
MINIMUM WAGE - HOURLY RATES		
Federal Regular Wage	\$ 5.85 ⁽⁸⁾	\$ 5.15 ⁽⁷⁾
Federal Opportunity Wage ⁽²⁾	\$ 4.25	\$ 4.25
Minnesota Large Employers (gross at least \$625,000)	\$ 6.15	\$ 6.15
Minnesota Small Employers (gross less than \$625,000)	\$ 5.25	\$ 5.25
Minnesota Opportunity Wage ⁽²⁾	\$ 4.90	\$ 4.90
PERCENTAGE WITHHOLDING FROM SUPPLEMENTAL WAGES		
Federal (total up to \$1,000,000)	25.00% ⁽⁶⁾	25.00% ⁽⁶⁾
Minnesota	6.25%	6.25%
FEDERAL BACKUP WITHHOLDING		
	28.00%	28.00%
MAXIMUM EARNINGS UNDER SOCIAL SECURITY BEFORE LOSS OF BENEFITS		
Under Full Retirement Age ⁽⁴⁾ (\$1 lost for every \$2 over limit)	\$ 13,560.00	\$ 12,960.00
	\$1,130/mo ⁽³⁾	\$1,080/mo ⁽³⁾
Full Retirement Age ⁽⁴⁾ and Above	No Limit	No Limit

⁽¹⁾ Maximum additional exclusion for age 50 and over

⁽²⁾ Special "training wage" for first 90 days of employment for employees under 20 years of age

⁽³⁾ Applies in year of retirement

⁽⁴⁾ 65 years and 10 months in 2007; 66 years in 2008

⁽⁵⁾ Before additional assessments

⁽⁶⁾ 35% on excess of \$1,000,000 total supplemental wages

⁽⁷⁾ \$5.85 (effective 7/24/07)

⁽⁸⁾ \$6.55 (effective 7/24/08)