



# The Barrows Sollenberger Group, PC.

## 2012 Payroll Tax Update

### Employer and Employee Withholding Rates

	<u>2012</u>	<u>2011</u>
Maximum Social Security Wages	\$110,100	\$106,800
Maximum Medicare Wages	No Limit	No Limit
Employer Social Security Tax Rate	6.20%	6.20%
Employee Social Security Tax Rate	4.20%*	4.20%
Medicare Tax Rate	1.45%	1.45%
<b>Federal Unemployment Compensation:</b>		
Wage base per employee	\$7,000	\$7,000
Employer Tax Rate***	0.600%	<u>Jan-June</u> .800% <u>July-Dec</u> .600%
<b>PA Unemployment Compensation:</b>		
Wage base per employee	\$8,000	\$8,000
Employer Contribution Rate ( <i>You will be notified by PA UC</i> )	Rates Vary	Rates Vary
Employer PA Unemployment Withholding Tax Rate	0.08%	0.08%
<b>PA Income Withholding Tax</b>	3.07%	3.07%
<b>Local Income Tax Withholding (<i>Franklin Co.</i>)</b>		
Resident within the jurisdiction of CASD	1.70%	1.70%
Resident outside the jurisdiction of CASD**	1.00%	1.00%
<b>LST (<i>Local Services Tax</i>) (<i>Based on Employers Location</i>)</b>		
Borough of Chambersburg (Collect at a maximum weekly rate of \$1.00)	\$52.00	\$52.00
Chambersburg Area School District	\$10.00	\$10.00
Shippensburg Borough (Collect at a maximum weekly rate of \$1.00)	\$52.00	\$52.00
Shippensburg Area School District	\$10.00	\$10.00
Greencastle Antrim School District	\$10.00	\$10.00
Borough of Mercersburg (Collect at a maximum weekly rate of \$1.00)	\$52.00	\$52.00
Borough of Waynesboro (Collect at a maximum weekly rate of \$1.00)	\$52.00	\$52.00
Waynesboro Area School District	\$10.00	\$10.00
<b>Self Employment Tax Rate</b>	13.30%	13.30%
<b>Business Mileage Reimbursement Rates</b>	\$0.55½	<u>Jan-June</u> \$0.51 <u>July-Dec</u> \$0.55½
<b>Minimum Wage Rate (<i>Pennsylvania</i>)</b>	\$7.25	\$7.25

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\*Temporary Payroll Tax Cut Continuation Act of 2011 effective through 2/29/12.

\*\*Please confirm jurisdiction if a resident outside of CASD.

\*\*\*Additional 0.300% dependent on state's debt repayment.

Information current as of 1/3/2012. Visit our website [www.bsgwealth.com](http://www.bsgwealth.com) for any additional revisions.