

2009 PAYROLL MEMORANDUM

Federal

	Wage Base	Maximum Contribution	Rate
Social Security ^①	\$106,800	\$6,621.60	6.2%
Medicare ^②	Unlimited	Unlimited	1.45%
Income tax withholding: Regular wages	Unlimited		Tables
Supplemental Wages and/or Bonus	To \$1,000,000 Over \$1,000,000		25% 35%
Unemployment	\$7,000	\$56	.8% ^③

① same for employer and employee

② 6.2% less state credit of 5.4%

Pennsylvania

	Base Week Wages	Taxable Wage Base	Rate
Income tax withholding	Unlimited	Unlimited	3.07%
Unemployment: Employer	\$48	\$8,000	③
Employee		Unlimited	.06%

③ State assigns employer's rate

New Jersey

	Base Week Wages	Taxable Wage Base	Employee Tax Rate
Income tax withholding	Unlimited	Unlimited	Table
Unemployment: Employer	\$122.82	\$28,900	④
Employee		\$28,900	.425% ^⑤

④ State assigns employer's rate

⑤ Employee percentage divided as follows: (July 1, 2007 – June 30, 2008)

Workforce Development .0425%, + Unemployment .3825%, + Health Care Fund 0 = .425%

Delaware

	Base Week Wages	Taxable Wage Base	Employee Tax Rate
Income tax withholding	Unlimited	Unlimited	Table
Unemployment Employer	No minimum	\$10,500	⑥
Employee		None	None

⑥ State assigns employer's rate

Philadelphia

Wage tax withheld from employee	Resident	Non-Resident
	3.93%	3.50%

PLEASE NOTE: All Pennsylvania employers are required to withhold Philadelphia wage tax on Philadelphia residents.

Minimum Wage Information

	Minimum Wage	Minimum Base Wage ^⑦
Federal	\$6.55	\$2.13
Delaware	\$7.15	\$2.23 ^⑧
• Effective 7/24/09	\$7.25	\$2.23
New Jersey	\$7.15	\$2.13 ^⑧
Pennsylvania		
• More than 10 Employees Effective 7/1/2007	\$7.15	\$2.83
• Less than 10 Employees Effective 7/24/2009	\$7.25	\$2.83
• Training wage for employees under 20 employees Effective 7/24/2008	\$7.15	\$2.83
• Effective 7/24/2009	\$7.25	\$2.83
• Training wage for employees under 20 employees Effective 7/23/2009	No Longer Allowed	\$2.83

⑦ For Tipped Employees:

Base wage plus tips must equal or exceed minimum wage.

Employers are required to make up any difference.

⑧ Recommended by state

These rates effective 1/1/09 unless noted. Subsequent changes may occur. Please check our website for changes and/or updates.

www.hilgerflick.com

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Group Term Insurance Section 79 Table 1 Rates

Section 79 of the Internal Revenue Code sets forth tax reporting requirements on employer provided Group Term Insurance above \$50,000, which is considered taxable income for the employee.

5-Year Age Bracket	Table 1 Rates*
Under 25	\$.05
25-29	.06
30-34	.08
35-39	.09
40-44	.10
45-49	.15
50-54	.23
55-59	.43
60-64	.66
65-69	1.27
70 and above	2.06

* Cost per \$1,000 of protection per month

New Hire Reporting Requirements

Federal law mandates that all employees, regardless of size or type of business, comply with the New Hire Reporting requirements. New Hire Reports must be filed with the state in which the employee was hired. Timing of filing the report and information required varies by state. Most states require the form be filed with 20 days of hiring and include employer's name address, federal identification number, contact name and telephone #, employee's full name, gender (some states optional), address, social security number, date of birth (some states optional) and date of hire. Reporting methods also vary by state. Most states will accept a copy of completed W-4 if all required information is included. In Pennsylvania and New Jersey, reports can be made online or New Hire Reporting Form or W-4 Forms can be mailed or faxed. Delaware reports can be made electronically, by magnetic tape or mailing or faxing W-4 Forms or list showing required information to New Hire Unit.

Optional Business Mileage Rate for 2009

Standard mileage rate for transportation expenses incurred for business purposes for Year 2009 is \$.55 per mile.

IRS Table Annual lease value method for automobiles

Automobile Fair Market Value	Annual Lease Value
\$0 - 999	\$600
1,000 - 1,999	850
2,000 - 2,999	1,100
3,000 - 3,999	1,350
4,000 - 4,999	1,600
5,000 - 5,999	1,850
6,000 - 6,999	2,100
7,000 - 7,999	2,350
8,000 - 8,999	2,600
9,000 - 9,999	2,850
10,000 - 10,999	3,100
11,000 - 11,999	3,350
12,000 - 12,999	3,600
13,000 - 13,999	3,850
14,000 - 14,999	4,100
15,000 - 15,999	4,350
16,000 - 16,999	4,600
17,000 - 17,999	4,850
18,000 - 18,999	5,100
19,000 - 19,999	5,350
20,000 - 20,999	5,600
21,000 - 21,999	5,850
22,000 - 22,999	6,100
23,000 - 23,999	6,350
24,000 - 24,999	6,600
25,000 - 25,999	6,850
26,000 - 27,999	7,250
28,000 - 29,999	7,750
30,000 - 31,999	8,250
32,000 - 33,999	8,750
34,000 - 35,999	9,250
36,000 - 37,999	9,750
38,000 - 39,999	10,250
40,000 - 41,999	10,750
42,000 - 43,999	11,250
44,000 - 45,999	11,750
46,000 - 47,999	12,250
48,000 - 49,999	12,750
50,000 - 51,999	13,250
52,000 - 53,999	13,750
54,000 - 55,999	14,250
56,000 - 57,999	14,750
58,000 - 59,999	15,250

For automobiles with a Fair Market Value in excess of \$59,999, the annual lease value = (25% x automobile FMV) + \$500.