



323 N. Pacific Coast Highway 101 • Solana Beach CA 92075
 P 858.481.7702 • F 858.481.7828

**2010 Payroll Withholding Information
 Tax Deposit Requirements**

FEDERAL

FICA (Social Security)

Rate:	Employee 6.2% (.062)	Maximum wage amount	\$ 106,800.00
	Employer 6.2% (.062)	Maximum withheld amount	\$6,621.60

FICA (Medicare)

Rate:	Employee 1.45%	All wages in 2010 are taxable to Medicare.
	Employer 1.45%	Will be same as employee.

FEDERAL INCOME TAX WITHHOLDING

Rate: See Tables in Employers Tax Guide (Circular E)

FICA AND FWH DEPOSIT REQUIREMENTS:

The Internal Revenue Service should have notified you as to your filing category. If not, please contact our office for assistance.

MONTHLY DEPOSITOR

Your payroll deposits are due by the 15th day of the following month.

SEMI-WEEKLY DEPOSITOR

Your payroll deposits are due based on the payment of your payroll. If your payroll is paid on a Wednesday, Thursday, or Friday, your payroll deposit is due by the following Wednesday. If your payroll is paid on a Saturday, Sunday, Monday or Tuesday, your payroll deposit is due by the following Friday.

The threshold has increased for small business tax deposits. Starting January 1, 2001, if your employment taxes for the return period (line 18 for Form 941, or line 4 for Form 945) are less than \$2,500, you are not required to make deposits and may pay the taxes with the return.

FUTA (Federal Unemployment Tax)

Rate	.8% (.008)
Limit:	\$7,000 per employee, maximum \$56.00 per year.

FUTA DEPOSIT REQUIREMENT:

Deposit FUTA when the liability reaches \$500 or more at the end of a quarter by the last day of the following month, i.e., April 30, July 31, October 31, & January 31. Use form 8109 to make the deposit and mark Form 940 and the appropriate quarter on the form. If the liability at the end of the quarter is less than \$500, carry it forward and include with the next quarter.

ELECTRONIC DEPOSIT REQUIREMENT:

If your total deposits of social security, Medicare, railroad retirement, withheld income taxes, and corporate income taxes were more than \$200,000 in 2007, or if you were required to use EFTPS in 2008, you must make electronic deposits for all depository tax liabilities that occur after December 31, 2008. **The Electronic Federal Tax Payment System (EFTPS)** must be used to make electronic deposits. If you are required to make deposits by electronic funds transfer and fail to do so, you may be subject to a 10% penalty. Taxpayers who are not required to make electronic deposits may voluntarily participate in EFTPS. For information on EFTPS, call 1-800-945-8400 or 1-800-555-4477. (These numbers are for EFTPS information only.)





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CALIFORNIA

Personal Income Tax Withheld (PIT)

Rate: See tables in the Employers Tax Guide from the Employment Development Department.

State Disability Insurance (SDI)

Rate: 1.1%

Limit: \$93,316 per employee, maximum withheld, \$1026.48

State Unemployment and Training Taxes

Are now paid with your tax deposits on a quarterly basis. At the end of each quarter, you will now complete a wage reconciliation for employees but will not reconcile your deposits until year-end. The rate is assigned specifically for each company.

New Employee Registry Law

Requires all employers to report any employee(s) who have been hired, rehired, or returned to work, within 20 days of their rehire date. Failure to comply with this new law will result in a \$250 penalty per employee. To report these new employees, you must complete and file a form DE34.

New Independent Contractor Reporting Requirement

Effective January 1, 2001, businesses and government entities that are required to file a federal Form 1099-MISC for services performed by an independent contractor are required to report specific information to EDD. This information must be filed with EDD within 20 days of either entering into a contract with an independent contractor for \$600 or more, or making payments totaling \$600 or more to an independent contractor in any calendar year, whichever is earlier.

It is not necessary for businesses to report the following types of entities: corporations, general partnerships, or limited liability companies. In general, businesses are required to report independent contractors that are sole-proprietors.

For more information on the independent contractor reporting requirements, or for copies of the new reporting form, (*Report of Independent Contractors*, DE 542), visit the EDD web site at http://www.edd.ca.gov/pdf_pub_ctr/de542.pdf

STATE DEPOSIT REQUIREMENTS:

State deposit due dates are generally the same as Federal deposit due dates. However, you are required to deposit all Unemployment Insurance, Employer Training Tax, State Disability Insurance and Personal Income Tax by the delinquent date for each quarter.

NOTE: If a deposit due date falls on a Saturday, Sunday, or a banking holiday, the due date is extended to the next banking day. For example, if a deposit is due on Friday, but Friday is a holiday, the deposit due date is extended to the following Monday.

