

## 2008 PAYROLL TAX RESPONSIBILITIES

### Employee

Social Security 6.2% of gross pay - 2008 wage base of \$102,000

Medicare 1.45% of gross pay - no wage base

Federal Withholding Based upon W-4 filing status

State Withholding Based upon W-4 filing status

CA Disability .8% of gross pay - limit remains at \$86,698.00

\*It is the responsibility of the employer to withhold and pay these taxes on behalf of their employees

### Employer

Social Security 6.2% of gross pay - 2008 wage base of \$102,000

Medicare 1.45% of gross pay - no wage base

Federal Unemployment .8% on first \$7000 earned by each worker annually  
(\$56 per employee/year)

State Unemployment/ETT California New Business combined rate is 3.4%  
Tax is paid on first \$7000 earned by each worker annually  
(\$245 per employee/year)

CA Disability (SDI) .8% of gross pay - 2008 wage base of \$86,698

### TAX REQUIREMENTS-Minimum of 40 deposits and / or returns each year

\* Deposits are due to the IRS (social security, medicare, and federal withholding taxes) based on assigned filing frequency - **minimum 12 deposits per year**

\* 941 Federal return due quarterly to IRS - **4 returns per year**

\* State Tax deposits are due quarterly for new business - **minimum 4 deposits per year**

\* Federal Unemployment deposit frequency is determined by the amount of tax due - **up to 4 deposits annually with 1 return at year end** (940 Federal Return)

\* State Unemployment deposits due quarterly - **4 per year**

\* State Unemployment return is due annually - **1 per year**

\* California Tax Returns - **4 per year**

\* W2 at year end - **1 per employee** that worked for you during the year

\* W3 at year end - **1 copy** sent to IRS

## **RECORD KEEPING**

As an employer, you should keep a personnel file on each employee. Required information includes:

\* W4: Provides name, address, social security number, filing status and number of exemptions

\* I-9: Required by Federal Government to make sure that all employees are US citizens or have permission to work in the United States

## **WORKERS COMPENSATION INSURANCE**

Workers Compensation Insurance is required, by law, in state of California. The cost is based upon your current payroll information and the type of work your employees are performing.