

2006

Employer and Employee Tax Rates:



|  | Employer Tax Rate        | Employee Withholding Rate                                  | Maximum Wages Subject to Tax Per Employee Withholding |                    |             |                 | Maximum Withheld from Employee or Paid Expense by Employer |                 |
|--|--------------------------|--|---|--------------------|-------------|-----------------|--|-----------------|
|  |                          |  | 2006  | Prior Year 2005    | 2006        | Prior Year 2005 | 2006   | Prior Year 2005 |
|  |                          |  |   |                    |             |                 |  |                 |
| <b>Federal Social Security (FICA)</b>                                  |                          |  |   |                    |             |                 |  |                 |
| OASDI  | 6.20%                    | 6.20%  | \$ 94,200.00  | 90,000.00          | \$ 5,840.40 | 5,580.00        | \$ 5,840.40  | 5,580.00        |
| HI (Medicare)  | 1.45%                    | 1.45%  | Unlimited   |                    | Unlimited   |                 | Unlimited  |                 |
| <b>TOTAL FICA</b>  | <b>7.65%</b>             | <b>7.65%</b>   |   |                    |             |                 |  |                 |
| <b>Federal FUTA (Federal Unemployment Tax) 2006 (Employer Expense)</b> |                          |  |   |                    |             |                 |  |                 |
| FUTA   | 0.80%                    | In 2005 the *Threshold for pmt changed to \$ 500.00<br>N/A | \$ 7,000.00   | -                  | N/A         | 0               | \$ 56.00   |                 |
| <b>CA State Disability Insurance (SDI) (Withheld from Employee)</b>    |                          |  |   |                    |             |                 |  |                 |
|  | N/A                      | 0.80%  | \$ 79,418.00  | 1.08%<br>79,418.00 | \$ 635.34   | 857.71          | Unchanged  | 857.71          |
| <b>CA State SUI (State Unemployment Insurance) (Employer Expense)</b>  |                          |  |   |                    |             |                 |  |                 |
| SUI  | Rate Varies per Employer | N/A  | \$ 7,000.00   | -                  | N/A         | 0               | Varies per employer  |                 |
| <b>CA State Employment Training Tax (State ETT) (Employer Expense)</b> |                          |  |   |                    |             |                 |  |                 |
| ETT  | 0.01%                    | N/A  | \$ 7,000.00   | 0                  | N/A         | 0               | \$ 7.00  |                 |

MISC INFORMATION:

**Gross Up's**

FICA (only) / .9235

FICA & SDI / .

2006 Mileage Rate: 44.5 cents per mile

2005 Mileage Rate: 40.5 cents per mile

**Minimum Wage:**

Federal: \$ 5.15/hr

CA State: \$ 6.75/hr (became effective Jan 1, 2002)

**Mileage Rate Notes:**

- 44.5 cents a mile for all business miles driven in 2006, up from 40.5 cents a mile in 2005
- .18 cents per mile for 2006 when computing deductible medical or moving expenses, up from .15 cents a mile in 2005
- .14 cents per mile when giving services to a charitable organization/no change from 2004

**SPECIAL MILEAGE RATE NOTE:**

The 2005 Mileage Rates Changed Sept 9, 2005:

from: January 1, 2005 to August 31, 2005, 40.5 /mile

to: September 1, 2005 through December 31, 2005 44.5 /mile