



2012 QUICK FACTS

- Mileage deduction incidental to medical care DECREASES to **23 cents per mile** beginning January 1, 2012.
- When giving services to a charitable organization, mileage deduction REMAINS **14 cents per mile** for 2012.
- For business purposes, the mileage deduction REMAINS **55.5 cents per mile** beginning January 1, 2012.
- In 2012, the Social Security Wage base will increase to \$110,100. The Social Security rate of 6.2%* is applied to wages up to the maximum taxable amount for the year; the Medicare portion of 1.45% is applied to all wages.

*The Temporary Payroll Tax Cut Continuation Act of 2011 temporarily extends the two percentage point payroll tax cut for employees, continuing the reduction of their Social Security tax withholding rate from 6.2 percent to 4.2 percent of wages paid through Feb. 29, 2012. As a result, employees will pay only 4.2% Social Security tax on wages up to \$106,800. Employers will continue to pay 6.2% Social Security tax on wages up to \$106,800. The Medicare tax rate will remain 1.45% in 2011 for both the employee and the employer. Congress will again take up this issue in January after the recess for a potential further extension of the payroll tax cut for 2012.

- The indexed compensation levels for determining who is a highly compensated or a key employee are as follows:

	<u>2012</u>	<u>2011</u>
Highly Compensated Employee	\$ 115,000	\$110,000
Top Paid Group of 20%	\$ 115,000	\$110,000
Key Employee	\$ 165,000	\$160,000

- The maximum for elective deferrals to a 401(k) plan will increase to \$17,000 in 2012. For those that are 50 or older, the catch-up contribution rate remains \$5,500.
- Standard Deductions for 2012:
 - \$5,950 Unmarried Individuals and Married Filing Separately
 - \$8,700 Heads of Households
 - \$11,900 Married Filing Jointly
- Personal Exemption for 2012: \$3,800
- Transportation Plan Limits for 2012:
 - \$125*/mo Transit/Van Pooling
 - \$240/mo Parking

*Temporary extension of the increase through 12/31/11 due to provisions in 2010 Tax Relief Act expired without further action from Congress the amount reverted back to pre-ARRA levels.

- HSA Annual Contributions Levels for 2012:
 - \$3,100 Individual
 - \$6,250 Family
- HSA Catch Up Contributions for 2012: \$1,000 for individuals over the age of 55
- HSA Minimum Deductibles for 2012:
 - \$1,200 Individual
 - \$2,400 Family
- HSA Maximum Annual Out-of-pocket for 2012:
 - \$6,050 Individual
 - \$12,100 Family