

Here are the numbers for 2024-2025:

1) FICA & Self Employment taxes are comprised of two components:

a) Social Security (OASDI)

Maximum Earnings Subject
 Tax Rate (Employee)
 Maximum FICA Tax (Employee)
 Tax Rate (Employer)
 Maximum FICA Tax (Employer)
 Tax Rate (Self Employed)
 Maximum FICA (Self-Employed)

	2024	2025
	\$ 168,600	\$ 176,100
	6.2%	6.2%
	10,453.20	10,918.20
	6.2%	6.2%
	10,453.20	10,918.20
	12.40%	12.40%
	20,906.40	21,836.40

b) Medicare Tax

Maximum Earnings Subject
 Tax Rate (Employee)
 Maximum Medicare Tax (Employee)
 Tax Rate (Self Employed)
 Maximum Medicare (Self-Employed)

	No Ceiling	No Ceiling
	1.45%	101.45%
	No Limit	No Limit
	2.90%	102.90%
	No Limit	No Limit

2) Medicare Tax Increases for High Income Earners

Medicare wages and self-employment income in excess of \$200,000 (single), \$250,000 (MFJ), and \$125,000 (married filing separately) will be subject to an extra 0.9%

Medicare tax will only be withheld from employees' wages. Employers will not match the extra tax.

There is a Medicare tax of 3.8% on investment (unearned) income for taxpayers with (MAGI) over \$200,000 (single), \$250,000 (MFJ), and \$125,000 (married filing separately).

3) Standard Deduction

	2024	2025
Joint or Qualifying Widow(er)	29,200	30,000
Single	14,600	15,000
Head of Household	21,900	22,500
Married Filing Separately	14,600	15,000
Taxpayer Claimed as Dependent		
Additional for Elderly or Blind:		
Married	1,550	1,600
Unmarried	1,950	2,000

4) Child Tax Credit

Maximum Credit under age 6 subject to phaseouts	2,000	2,000
Maximum Credit ages 6-17 subject to phaseouts	2,000	2,000
Maximum Refundable Credit subject to phaseouts	1,700	1,700

Individuals and heads of household earning up to \$200,000 per year and joint filers earning up to \$400,000 per year receive full credit

The amount of the payments will phase out by \$50 for every \$1,000 in adjusted gross income above those thresholds.

5) Social Security Benefits Increase

3.20%	2.50%
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6) Earnings Ceiling for Social Security

Under full retirement age		
Annual Total	22,320	23,400
Monthly Average	1,860	1,950
From January 1st of the year reaching full retirement age through the month the retiree reaches full retirement age	59,520	62,160
From the first day of the first full month the retiree reaches full retirement age	No Limit	No Limit

		<u>2024</u>	<u>2025</u>
<u>7) Medicare Part B Fee (Monthly) Based on Modified Adjusted Gross Income at Various Income Levels Below</u>			
<i>Individuals from:</i>	<i>Married couples from:</i>		
\$0-106,000	\$0-212,000	\$174.70	\$185.00
\$106,001-\$33,000	\$212,001-\$266,000	\$244.60	\$259.00
\$133,001-\$167,000	\$266,001-\$334,000	\$349.40	\$370.00
\$167,001-\$200,000	\$334,001-\$400,000	\$454.20	\$480.90
\$200,001-500,000	\$400,001-\$750,000	\$559.00	\$591.90
above \$500,000	above \$750,000	\$594.00	\$628.90
		<u>3.07%</u>	<u>3.07%</u>
<u>8) PA Income Tax Rate</u>			
		<u>3.7500%</u>	<u>3.7500%</u>
		<u>3.4400%</u>	<u>3.4400%</u>
<u>9) Philadelphia City Wage Tax</u>			
Residents		<u>3.7500%</u>	<u>3.7500%</u>
Non-Residents		<u>3.4400%</u>	<u>3.4400%</u>
<u>10) Pennsylvania Unemployment Employee Withholding Tax</u>			
Employee Withholding Rate		<u>.07</u>	<u>.07</u>
Taxable Wage Base for Employer Contribution		<u>10,000</u>	<u>10,000</u>
<u>11) Federal Unemployment Tax (FUTA)</u>			
Wages Subject		<u>7,000</u>	<u>7,000</u>
Rate		<u>.6%(.006)</u>	<u>.6%(.006)</u>
Cost for each employee earning \$7,000 or more		<u>42.00</u>	<u>42.00</u>
		<u>2024</u>	<u>2025</u>
<u>12) Helath Savings Account (HSA) Maximum Contribution</u>			
Individuals under age 55		<u>\$4,150</u>	<u>\$4,300</u>
Individuals 55 and older		<u>\$5,150</u>	<u>\$5,300</u>
Family under age 55		<u>\$8,300</u>	<u>\$8,550</u>
Family 55 and older		<u>\$9,300</u>	<u>\$9,550</u>

13) Federal, PA & DE Minimum Wage

Pennsylvania Minimum Wage	\$7.25	\$7.25
NJ Minimum Wage	\$15.13	\$15.49
DE Minimum Wage	\$13.25	\$15.00

14) Deduction Limits for Automobiles

Passenger car, Light Trucks, Vans and SUV's

First year	20,400	TBD
Second year	19,800	TBD
Third year	11,900	TBD
Thereafter	7,160	TBD

15) Retirement Plans

Maximum wage eligible for Defined Contribution Plan	345,000	350,000
Maximum contribution percentage - SEP/Profit Sharing	25%	25%
Maximum contribution percentage - Defined Contribution	100%	100%

Maximum Contribution Amounts:

Defined Benefit Plan	275,000	280,000
Defined Contribution Plan	69,000	70,000
401K and 403B Plans (under age 50)	23,000	23,500
401K and 403BPlans (age 50-59 & 64 and over)	30,500	31,000
401K and 403BPlans (age 60-63)	30,500	34,750
Simple Plans - Max. employee contribution (under age 50)	*16,000	16,500
Simple Plans - Max. employee contribution (age 50-59 & 64 and over and over)	*19,500	20,000
Simple Plans - Max. employee contribution (age 50-63)	*19,500	21,750

*For Simple plans in 2024 if the employer chooses, employees may be able to contribute an additional 10% on top of the existing limits, so long as the employer has less than 25 employees or has 26 to 100 employees and agrees to a 4% employer match or 3% nonelective contribution.

15) Retirement Plans - continued

	2024	2025
Traditional *Deductible IRA's (under age 50)	7,000	7,000
Traditional *Deductible IRA's (age 50 and over)	8,000	8,000
<i>*AGI level at which Deductible IRA phases out if you are covered by a retirement plan:</i>		
Married Filing Jointly or qualifying widower	\$123-143,000	\$126-145,000
Single or Head of Household	\$77-87,000	\$79-89,000
Married Filing Separately	0-\$10,000	0-\$10,000
Roth IRA's (under age 50)	7,000	7,000
Roth IRA's (age 50 and over)	8,000	8,000

Generally, you can contribute to a Roth IRA if you have taxable compensation and your modified AGI is less than:

- \$246,000 in 2025 for married filing jointly or qualifying widow(er),
- \$165,000 in 2025 for single, head of household, or married filing separately
- \$10,000 for married filing separately and you lived with your spouse at any time during the year.

A married taxpayer not in a retirement plan can make a deductible IRA contribution, even if spouse is covered by a retirement plan. This phases out with with AGI from \$236,001 to \$246,000.

16) Standard Mileage Allowance - Cents per Mile

Business Use	67	70
Medical and Moving	21	21
Charity	14	14

17) Annual Exclusion From Gift Tax

2024	2025
18,000	19,000

18) First Year Expense for New Equipment Purchases

Section 179

Bonus Depreciation

1,220,000	1,250,000
60%	40%

- The law has expanded the definition of section 179 property to allow the taxpayer to elect to include qualified improvements made to the interior of nonresidential real property (with some exceptions) after the date when the property was first placed in service.
- The IRS allows "bonus depreciation" for a % of the cost of an expanded list of qualified assets, but many states including PA do not.

Bonus depreciation is scheduled to be reduced to 20% in 2026 and will be eliminated in 2027

19) Capital Gain & Qualified Dividend Tax Rates

Taxpayers with AGI below \$48,350 (\$96,700 for MFJ) in 2025

Taxpayers with AGI from \$48,351-\$533,400 (\$96,701-\$600,050 for MFJ) in 2025

Taxpayers with AGI exceeding \$533,400 (\$600,050 for MFJ) in 2025

0%	0%
15%	15%
20%	20%

20) Federal Individual Income Tax Rates

2024 Married Filing Jointly:

	<u>Over</u>	<u>But Not Over</u>
10%	0	23,200
12%	23,200	94,300
22%	94,300	201,050
24%	201,050	383,900
32%	383,900	487,450
35%	487,450	731,200
37%	731,200	and greater

2025 Married Filing Jointly:

	<u>Over</u>	<u>But Not Over</u>
10%	0	23,850
12%	23,850	96,950
22%	96,950	206,700
24%	206,700	394,600
32%	394,600	501,050
35%	501,050	751,600
37%	751,600	and greater

2024 Single:

	<u>Over</u>	<u>But Not Over</u>
10%	0	11,600
12%	11,600	47,150
22%	47,150	100,525
24%	100,525	191,950
32%	191,950	243,725
35%	243,725	609,350
37%	609,350	and greater

2025 Single:

	<u>Over</u>	<u>But Not Over</u>
10%	0	11,925
12%	11,925	48,475
22%	48,475	103,350
24%	103,350	197,300
32%	197,300	250,525
35%	250,525	626,350
37%	626,350	and greater