

Issued: January 25, 2011

## Revised Key Federal Tax Figures for 2011

Please see the following page for our revised 2011 Annual Key Federal Tax Figures summary which incorporates several tax law changes made by Congress in late 2010. These include Standard Deductions and the Personal Exemption amounts, which will be used for tax returns filed for 2011 in early 2012.

Of immediate interest are the reductions in employee FICA withholding and SECA tax obligations. This is in effect for 2011 payroll only. Some important details to note:

- The Social Security payroll tax on individual wages (FICA and Medicare) will be lowered from 7.65% to 5.65%. An individual earning \$60,000, for example, will save \$1,200. If that individual is paid twice a month, it will mean an extra \$50 in his or her paycheck starting in January. Employees do not have to repay this reduction when filing Form 1040 for the 2011 calendar year. (These changes will mean an adjustment to payroll withholding beginning January 1, 2011.)
- The employer's share of Social Security (FICA and Medicare) tax is not affected; it stays at 7.65%.
- While self-employed workers, including ministers, pay both the employer and employee portion of the Social Security tax, they also get the tax break on the employee portion. Their self-employment taxes will be cut from 15.3% to 13.3%. The Self-Employment Contributions Act (SECA) tax deduction on Line 27 of Form 1040 - the equivalent of the employer portion of Social Security tax - will not be affected by this change and will remain at 7.65% for 2011.

Please contact us at [info@capincrouse.com](mailto:info@capincrouse.com) if you have any questions.

### About CapinCrouse LLP

With more than 700 not-for-profit organizations and 1,500 tax clients, CapinCrouse is the country's leading accounting and advisory firm primarily serving the Christian not-for-profit community.

Since 1972, CapinCrouse has been serving not-for-profit entities including megachurches, institutions of higher education and secondary schools, and international missions agencies by providing a full range of audit, review, tax, and advisory services.

CapinCrouse is dedicated to helping our clients operate with financial integrity so that they can dedicate themselves to fulfilling their mission.

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# KEY FEDERAL TAX FIGURES

	In 2010 and Returns for 2010	In 2011 and Returns for 2011	
PERSONAL TAX	Standard Deductions	Married-Joint return \$11,400 Head of Household 8,400 Single 5,700 Married-Separate ret. 5,700	Married-Joint return \$11,600 Head of Household 8,500 Single 5,800 Married-Separate ret. 5,800
	Personal & Dependent exemption amount	\$3,650	\$3,700
	SECA (OASDI & Medicare) rate	15.3%	13.3%
	Employee FICA (OASDI & Medicare) rate	7.65%	5.65%
	Employer FICA (OASDI & Medicare) rate	7.65%	7.65%
	OASDI Maximum compensation base	\$106,800	\$106,800
	Annual Gift Tax Exclusion	\$13,000	\$13,000
	Foreign Earned Income Exclusion	\$91,500	\$92,900
RETIREMENT	Maximum annual contribution to defined contribution plan	\$49,000	\$49,000
	Maximum salary deduction for 401(k)/403(b)	\$16,500	\$16,500
	401(k) & 403(b) Over 50 "catch up" limit	\$5,500	\$5,500
	Maximum income exclusion for NQ plans in 501(c)(3) organizations (IRC 457)	\$16,500	\$16,500
	IRA Contribution limit	\$5,000	\$5,000
	IRA over 50 "catch-up" limit	\$1,000	\$1,000
	Highly compensated employee limit	\$110,000	\$110,000
	Earnings Ceiling for Social Security (applies to employment before full retirement age (FTA); special formula in full retirement age year)	Below FTA: \$14,160 Over FTA: None	Below FTA: \$14,160 Over FTA: None
EXPENSES REIMBURSEMENT / DEDUCTIONS	Standard Per diem: Lowest rates in continental USA	Lodging \$70.00 Meals & Incidentals \$46.00	Lodging \$77.00 Meals & Incidentals \$46.00
	IRS High/Low substitute per diem system (Effective October 1)	High \$258 Low \$163	High \$233 Low \$160
	Maximum automobile value for using cents-per-mile rate to value company provided automobile	\$15,300	\$15,300 est.
	Business mileage rate	50 cents per mile	51 cents per mile
	Moving & medical mileage rate	16.5 cents per mile	19 cents per mile
	Charitable mileage rate	14 cents per mile	14 cents per mile
	Maximum value of reimbursement of business expenses (other than lodging) w/o receipt	\$75.00	\$75.00
	FILING THRESHOLDS	Threshold for filing 990 electronically	\$10 million assets & 250 information returns
Threshold for required filing Form 990T		\$1,000 gross UBI	\$1,000 gross UBI
Threshold for required filing of Form 1099-MISC (payment for most personal services)		\$600.00	\$600.00
QUID PRO QUO EXCEPTIONS	Minimum contribution and maximum cost of token	Minimum gift: \$47.50 Maximum cost: \$9.50	Minimum gift: \$48.00 Maximum cost: \$9.60
	Maximum value of de minimus benefit	2% of gift, but max. \$96.00	2% of gift, but max. \$97.00