



2012 Fast Wage and Tax Facts

Published 1/6/2012. For the most current information, visit us at:

www.adp.com/tools-and-resources/compliance-connection/state-taxes/2012-fast-wage-and-tax-facts.aspx

FEDERAL

Agency websites:

- Internal Revenue Service: www.irs.gov
- Social Security Administration: www.ssa.gov
- U.S. Dept. of Labor: www.dol.gov

	Effective 7/24/08	Effective 7/24/09
Minimum Wage	\$6.55	\$7.25
Minimum Cash Wage	\$2.13	\$2.13
(Tipped Employee)		
Maximum Tip Credit	\$4.42	\$5.12
Youth Sub-	\$4.25	\$4.25
Minimum Wage		

FICA (Social Security)

Maximum Taxable Earnings: \$110,100

(Increased from \$106,800 in 2011)

ER Tax Rate: 6.2%

(Unchanged from 2011)

EE Tax Rates:

Eff. 01/01/12 – 02/29/12 4.2%

Eff. 03/01/12 6.2%

(Tax rate was 4.2% in 2011)

Self-Employment Tax Rates:

Eff. 01/01/12 – 02/29/12 10.4%

Eff. 03/01/12 12.4%

(Tax rate was 10.4% in 2011)

FICA (Medicare)

Maximum Taxable Earnings: No Limit

EE / ER Tax Rates: 1.45%

Maximum Tax: No Limit

Self-Employment Tax: 2.9%

FUTA (Employer-Paid)

Maximum Taxable Earnings: \$7,000

Percent of Taxable Wages: 6.0%

Maximum Credit: 5.4%

Normal Net Tax: 0.6%

Supplemental Wage/Bonus Rate

Flat rate withholding method: 25%

Pay over \$1 Million: 35%

FAST WAGE & TAX FACTS is distributed with the understanding that the publisher is not rendering legal, accounting or other professional services. If legal advice or other assistance is required, an attorney or accountant should be consulted. Minimum wage rates may vary by industry. State minimum wage rates may be superseded by Federal. Contact proper agency to verify.

IOWA

Agency websites:

- Dept. of Revenue: www.state.ia.us/government/dfa
- Dept. of Workforce Dev.: www.iowaworks.org

If annual gross sales are \$300,000 or greater and employers in "named enterprises":

	Effective 4/01/07	Effective 1/01/08
Minimum Wage	\$6.20	\$7.25
Minimum Cash Wage	\$3.72	\$4.35
(Tipped Employee)		
Maximum Tip Credit	\$2.48	\$2.90

*Named enterprises include all public agencies; all hospitals and residential care facilities for the sick, elderly, mentally or physically handicapped or gifted children; all schools and preschools; most daycares; and employers engaged in construction, laundry and dry cleaning. Some types of employers are not required to comply with the Iowa Minimum Wage Law, such as certain employers in agriculture, certain summer camps, and others.

State Income Tax

Wage Withholding: Table

Supplemental Wage/Bonus Rate: 6%

Unemployment Insurance

Maximum 2012 Taxable Earnings: \$25,300

(Increased from \$24,700 in 2011)

Employee Deduction: None

Employer 2012 Tax Rates: 0.0 - 9.0%

Standard 2012 New Employer Rate: 1.5%

Voluntary Contribution Permitted: No

Disability Insurance

Employee Deduction: None

Ask ADP . . .

the leading provider of

integrated business services:

PAYROLL SERVICES
 H.R. SOLUTIONS
 TAX & COMPLIANCE MANAGEMENT
 BENEFIT & RETIREMENT SERVICES
 PROFESSIONAL EMPLOYER ORGANIZATION
 TIME & LABOR MANAGEMENT
 SMALL BUSINESS SERVICES

ADP, Inc.

For information about the cost-effective solutions from ADP, call your local ADP representative or: 1-800-225-5237
ALSO, check www.adp.com