



2014 Fast Wage and Tax Facts

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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 (Tipped Employee)	\$2.13	\$2.13
Maximum Tip Credit	\$4.42	\$5.12
Youth Sub-Minimum Wage	\$4.25	\$4.25

FICA (SOCIAL SECURITY)

Maximum Taxable Earnings (Increased from \$113,700 in 2013)	\$117,000
EE / ER Tax Rate (Unchanged from 2013)	6.2%
Self-Employment Tax Rate (Unchanged from 2013)	12.4%

FICA (MEDICARE)

Maximum Taxable Earnings	No Limit
EE / ER Tax Rate (Unchanged from 2013)	1.45%
EE Additional Medicare Tax withholding on wages > \$200,000 eff. 1/1/13 (No ER Match)	0.9%
Maximum Tax	No Limit
Self-Employment Tax Rate (Unchanged from 2013)	2.9%
Self-Employment Additional Medicare Tax withholding on wages > \$200,000 eff. 1/1/13	0.9%

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 RATES

Flat rate withholding method (Unchanged from 2013)	25%
Pay over \$1 Million (Unchanged from 2013)	39.6%

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COLORADO

AGENCY WEBSITES

- Dept. of Revenue: www.colorado.gov/revenue
- Dept. of Labor & Employment: www.colorado.gov/cdle

	Effective 1/1/12	Effective 1/1/13	Effective 1/1/14
Minimum Wage	\$7.64	\$7.78	\$8.00
Minimum Cash Wage (Tipped Employee)	\$4.62	\$4.76	\$4.98
Maximum Tip Credit	\$3.02	\$3.02	\$3.02

STATE INCOME TAX

Wage Withholding	Table
Supplemental Wage/Bonus Rate	4.63%

UNEMPLOYMENT INSURANCE

Maximum 2014 Taxable Earnings (Increased from \$11,300 in 2013)	\$11,700
Employee Deduction	None
Employer 2014 Tax Rates	.81 - 10.87%
Standard 2014 New Employer Rate	2.08%
Voluntary Contribution Permitted	Yes

DISABILITY INSURANCE

Employee Deduction	None
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TAX TIPS

RMD Basics

If you own or are the beneficiary of an IRA, 401(k) or other retirement plan, make sure you don't make an RMD (required minimum distribution) error. Failure to take at least the RMD amount each year results in a 50% penalty by the IRS!

- IRA owners: your first RMD must be taken no later than April 1st of the year following the year you turn 70½.
- You reach age 70½ on the date that is 6 calendar months after the date of your 70th birthday.
- IRA owners: after your very first RMD, all subsequent RMDs must be taken no later than December 31st each year.
- RMDs are generally calculated by dividing the adjusted market value of your IRAs as of December 31st of the preceding year by the distribution period that corresponds with your age in the Uniform Lifetime Table (IRS Publication 590).
- You must calculate the RMD amount for each IRA separately. However, if you have more than one IRA (must be the *same* type), you don't have to take a separate RMD for each—you can aggregate and withdraw the entire amount from just one or withdraw a portion from each IRA to satisfy your RMD.
- You can always withdraw more than the minimum distribution amount... just be prepared to pay the taxes.
- Failure to take a timely RMD results in a 50% penalty on the undistributed amount - this rule applies to both IRA owners and IRA beneficiaries.

Source: www.irs.gov



Tiffany Fowler, Esq. is Chief Counsel at Table Bay Financial Network, Inc. in San Diego, CA. She can be reached at: tfowler@tablebayfinancial.com. America's IRA Centers™, the #1 Provider of Retirement Distribution Strategies, is the only community-based, one-stop resource specializing in retirement distribution planning and related tax mitigation. Few investors realize that the federal government is actually the primary beneficiary of their retirement accounts and, unless they take specific steps to "disinherit" Uncle Sam, they could lose anywhere from 35% to 80% of their retirement to taxes.

The rules surrounding distributions from retirement accounts are especially complex. Therefore, we will be sending you our exclusive Tax Tips periodically to help you understand the tax code, so you can maximize your clients' retirement. To ensure compliance requirements imposed by the IRS, we inform you that, unless specifically indicated otherwise, any tax advice contained in this communication was not intended or written to be used, and cannot be used, for the purpose of (i) avoiding tax-related penalties under the Internal Revenue Code, or (ii) promoting, marketing, or recommending to another party any tax-related matter addressed herein.

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TAX TIPS

New Standard Mileage Rates

A few days ago, the IRS announced the standard mileage rates for 2014. The following chart compares the applicable rates over the past few years:

<u>2014</u>	<u>Rate Per Mile (¢)</u>
Business	56
Medical and Moving	23.5
Charity	14
<u>2013</u>	
Business	56.5
Medical and Moving	24
Charity	14
<u>2012</u>	
Business	55.5
Medical and Moving	23
Charity	14
<u>2011 (July – December)</u>	
Business	55.5
Medical and Moving	23.5
Charity	14
<u>2011 (January – July)</u>	
Business	51
Medical and Moving	19
Charity	14

Source: www.irs.gov



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