

Social Security Wage Bases, Medicare Rates, and Social Security Rates

Social Security Employer And Employee Taxes

- Wage bases for each year are determined the previous November by the SSA.
- The Medicare wage base has been removed. The Medicare rate applies to all earnings. The Medicare rate applies to employees who are excluded from Social Security coverage who were first employed in these positions after March 31, 1986.
- A Social Security covered employee will pay Medicare tax on all earnings. The Social Security rates for 1994 through 2003 are shown below. Please note that future Social Security rates may be changed by Congress.

Tax Deadlines

- You must give the W-2 statements to your employees by January 31 of the following year.
- You must file your W-2s with an accompanying Form W-3, Transmittal of Income and Tax Statements, by February 28 of the following year.

A. Social Security Wage Base

The annual Social Security wage base is as follows:

Year	Social Security Wage Base
1994	60,600
1995	61,200
1996	62,700
1997	65,400
1998	68,400
1999	72,600
2000	76,200
2001	80,400
2002	84,900
2003	87,000

B. Medicare wage base

The annual Medicare wage base is as follows:

Year	Medicare Wage Base
1994	\$135,000
1994 through 2003	Rate applies to all earnings

C. Social Security Rates

Same Rate Used For Both Employer And Employee

YEARS	OASDI*	MEDICARE	TOTAL
1987	5.70%	1.45%	7.15%
1988-1989	6.06%	1.45%	7.51%
1990 through 2003	6.20%	1.45%	7.65%

*Old Age, Survivors, and Disability Insurance

Federal income tax withholding for IMRF pension payments

- For a monthly pension payment, the IRS default for withholding is "married with three exemptions."
- If a retired member does not advise us that he or she wants some other withholding instructions, IMRF will withhold federal income tax when the monthly pension payment exceeds:

Year	Amount
2003	\$1,300.51
2001	\$1,263.01
2002	\$1,288.00