



Stewart's Business & Tax Service

Serving Barstow and the High Desert for over 25 Years

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Happy Holiday's and Happy New Year

To: Payroll and Bookkeeping Clients

Subject: Updates for the New Year

Now Available:

- Direct Deposit: We are now offering direct deposit services for your payroll. January is a good time to setup your direct deposit. Contact us today if you're interested.

Tax Rates and Tables:

- State Disability Insurance (SDI): The SDI rate is the same 1.0%, but the wage limit has increased to \$101,636. This will affect employee withholdings but will not increase your payroll taxes.
- Social Security & Medicare Tax: The social security tax rate will remain at 6.2% for 2014, and the wage limit will increase to \$117,000. The Medicare tax remains at 1.45% and there is still no wage limit.
- Federal Unemployment Tax (FUTA): The FUTA tax rate increases to .8% of the first \$7,000 of earnings.
- State Unemployment Tax (SUTA): SUTA rates vary with each employer depending on your experience factor. We have updated your files with your new rate for 2014 based on either the letter you received from the EDD or by calling EDD directly.
- Income Tax Withholding Tables: There will be only small changes to the withholding tables for 2013. This is because most of the Bush tax breaks were extended.

Other Information:

- Sales Tax Rate: The sales tax rates for our area will remain at 8% for 2014.
- California Minimum Wage Law: The minimum wage will increase for 2014 to \$9.00 per hour beginning on July 1st and will increase to \$10.00 per hour on January 1, 2016. California also continues to require overtime to be paid for hours worked in excess of 8 hours in a work day and/or 40 hours in a work week.
- 1099 Requirements: 1099s are due to payees by the 31st of January. Please provide us with the information we need to meet this deadline. Remember, 1099s are required for anyone who provides services to your business and are paid more than \$600 in a calendar year, 1099s will also be required for rental property owners for 2013.
- Enterprise Zone: You may qualify for additional CA tax breaks for all employees hired within the last five years up to December 31, 2013. You have until June 2014 to submit the vouchers for this. If you would like more information, please give us a call.

Please don't hesitate to give us a call if you have any questions. We will be preparing your W-2s and 1099s in January in order for you to get them to your employees by the deadline of 01/31/14.