

MISCELLANEOUS BOOKKEEPER INFORMATION

UPDATED JANUARY 2026



Website:
www.portebrown.com

FICA TAX	Wage Base	Employer Rate	Employee Rate
Age Benefits	\$184,500	6.20%	6.20%
Medicare Benefits	Unlimited	1.45%	1.45%
*Additional medicare tax on employee wages above \$200,000	\$200,000+	N/A	0.90%
FUTA TAX (Federal unemployment per employee)	\$7,000	0.60% (For IL businesses)	N/A
SUTA TAX (Illinois unemployment compensation per employee)	\$14,250	Rate determined by employer experience.	

BUSINESS MILEAGE RATE FOR 2026 - 72.5¢

MAXIMUM EARNINGS BEFORE SOCIAL SECURITY BENEFITS ARE REDUCED

Full retirement age varies from age 65 to 67 by year of birth. Visit www.ssa.gov to determine your retirement age.

- If you are under full retirement age during all of 2026; you lose \$1 for each \$2 you earned above \$24,480.
- If you reach full retirement age in 2026; you lose \$1 for each \$3 you earn above \$65,160 until the month you reach full retirement age.
- Full retirement age and over – No limit.

401(K) MAXIMUM DEFERRAL LIMIT \$24,500 (age 50 or over, eligible for an additional \$8,000, age 60-63 eligible for an additional \$11,250 contribution). Beginning in 2026, participants in 401(k), 403(b), and governmental 457(b) plans who had FICA wages exceeding \$150,000 in the prior year (2025 wages) must make any catch-up contributions on an after-tax Roth basis.

SIMPLE 401(K) AND IRA DEFERRAL LIMIT \$17,000 (age 50 or over, eligible for an additional \$4,000)

WITHHOLDING DEPOSIT RULES: If you deposit your taxes at the same time you write each payroll, you need not change your method.



Withholding Deposit Rules

Less than \$2,500

\$2,500 and Over

- Up to \$50,000 annual liability
- More than \$50,000 annual liability
- \$100,000 and Over

Withholding Deposit Rules

Less than \$12,000 annually

\$12,000 and Over annually

Federal

Deposit with return.

15th of following month - must be paid electronically.

Deposit at time of payroll - must be paid electronically.

1 Banking Day - must be paid electronically.

State - Illinois - Assigned by the State

15th of following Month – If you withhold over \$12,000 in a given quarter, you are required to submit your payment electronically on a semi-weekly basis going forward.

Deposit at time of payroll - must be paid electronically.

Minimum Wage (Chicago rates change July 1st annually)

Federal	\$7.25
Illinois	\$15 (\$13 under 18 years old)
Illinois	\$9 (for tipped workers)
Chicago	\$16.20 (4 or more employees) \$16.60 (4 or more employees) as of 7/1/26
Chicago	\$15 (Youth Workers) \$16.50 (Youth Workers) as of 7/1
Chicago	\$11.02/\$10.20 (Tipped Workers Standard/Youth) \$12.62/\$12.54 (Tipped Workers Standard/Youth) as of 7/1
Cook County	\$15/\$9 (Non-tipped/Tipped)

Minimum Gross Income for Filing 2025 Tax Returns

	Under 65	65 or Older
Single	\$15,750	\$17,750
Head of Household	\$23,625	\$25,625
Married Filing Jointly	\$31,500 (Both spouses under 65) \$33,100 (One spouse 65 or older) \$34,700 (Both spouses 65 or older)	

*Dependent children under age 18 - \$15,750 if all wages; \$1,300 if all other income.

PLEASE CATEGORIZE PAYMENTS FOR MEALS, ENTERTAINMENT & TRAVEL AS FOLLOWS:

“Business Meals”	- Meals while entertaining clients, staff travel. (50% deductible in 2025)
“Entertainment”	- Includes tickets to sporting events, concerts, charitable events, etc. (No longer deductible)
“Travel”	- Airfare and out-of-town expenses excluding meals and entertainment
“Trade Shows & Conventions”	- Do not include meals or entertainment. (NOT part of the regular programs)
“Christmas”	- Company party or gifts.
“Club Dues”	- Social club dues are not deductible.

Any expense for meals provided for the employer's convenience is nondeductible. This includes classic “keep-them-on-site” food: Office snacks/beverages, coffee/tea/water stations, busy season meals, shift meals, meals when employees “cannot leave the premises,” cafeteria or campus-style food programs

Please Note: Typical Illinois sales tax changes occur on 1/1 and 7/1 of the year. Please visit the following web address to locate a specific municipality rate: www2.illinois.gov/rev/.

If you have any additional questions, please contact Porte Brown Partners Kelly Switt, CPA, or Mark Dekhtyar, CPA.