



358 NE Winchester
 Post Office Box 2350
 Roseburg, OR 97470

(541) 673-4423
 Fax (541) 673-0287

www.wicksemmet.com

December 2020

The following information is provided to assist you with 2020 year end reporting and 2021 planning.

1099 Reporting:

As in prior years, you are required to file 1099's for payments made in the course of your trade or business for:

1. Dividends of \$10 or more.
2. Compensation of \$600 or more for services to all independent contractors (except corporations)
3. \$600 or more of fees paid to attorneys even if they are a corporation.
4. Interest of \$10 or more.
5. Rents of \$600 or more.
6. Royalties of \$10 or more.
7. Fees, commissions, prizes, awards to non-corporate payees of \$600 or more.
8. All distributions from company pension and profit sharing plans.

The forms to be used are Form 1099-DIV (dividends), 1099-INT (interest), 1099-MISC (other payments), 1099-R (distributions from retirement plans), and 1099-NEC (nonemployee compensation).

Oregon disallows deductions for all expenses requiring a 1099, if no 1099 is issued.

Retirement & Health Savings Account Plans:	2020	2021
Maximum 401(k) Elective Deferral	\$ 19,500	\$ 19,500
Additional 401(k) Elective Deferral for 50 years old or over	\$ 6,500	\$ 6,500
Defined Contribution Plan Limit (Plus over 50 deferral)	\$ 57,000	\$ 58,000
Maximum Eligible Compensation for Defined Contribution Plan	\$285,000	\$290,000
SIMPLE Retirement Plan Salary Deferral	\$ 13,500	\$ 13,500
Additional SIMPLE Deferral for 50 years old or over	\$ 3,000	\$ 3,000
IRA contribution limit	\$ 6,000	\$ 6,000
Additional IRA contribution for 50 years old or over	\$ 1,000	\$ 1,000
Health Savings Account - individual	\$ 3,550	\$ 3,600
Health Savings Account - family	\$ 7,100	\$ 7,200
Additional Health Savings Account for 55 years old or over	\$ 1,000	\$ 1,000

Miscellaneous Information:	2020	2021
Standard Mileage Rate Jan. 1 thru Dec. 31	57.5¢ (.575)	56.0¢ (.560)
Charitable Mileage Rate Jan. 1 thru Dec. 31	14.0¢ (.140)	14.0¢ (.140)
Medical Purposes Rate Jan. 1 thru Dec. 31	17.0¢ (.170)	16.0¢ (.160)

Social Security:	2020	2021
-------------------------	-------------	-------------

G:office/yearend letter

Maximum earned income allowed before reduction in Social Security Benefits

62 until Full retirement age	\$ 18,240	\$ 18,960
Full retirement age attained during 2021		\$ 50,520
Full retirement age varies between 65 and 67 depending on birthdate	unlimited	unlimited

PAYROLL ITEMS

Payroll Taxes:		2020		2021		
	Maximum Taxable Amt		Rate	Maximum Taxable Amt	Rate	
FICA	\$137,700	Employee	.0620	\$142,800	Employee	.0620
		Employer	<u>.0620</u>		Employer	<u>.0620</u>
			0.1240			0.1240
Medicare	\$ no limit	Employee	.0145	\$ no limit	Employee	.0145
		Employer	<u>.0145</u>		Employer	<u>.0145</u>
			0.0290			0.0290
		Employee	.0235 wages over \$200,000	Employee	.0235 wages over \$200,000	
Federal Unemployment (FUTA)	\$7,000		.0060	\$7,000		.0060
State Unemployment	\$42,100	.007 to .054		\$43,800	.012 to .054	
		New Employer - .021			New Employer - .026	
		Various rates-employer			Various rates-employer	
Workmen's Compensation	Exclude:	1/3 of O/T Pay on all hours worked;		Exclude:	1/3 of O/T Pay on all hours worked;	
	Vacation	.0110 per hour employer		Vacation	.0110 per hour employer	
	Discretionary	.0110 per hour employee		Discretionary	.0110 per hour employee	
	Bonuses			Bonuses		
State Transit Tax	Taxable Wages	.001		Taxable Wages	.001	
	Exclude:	Self-employment income		Exclude:	Self-employment income	

Minimum Wage:	2020	2021
Oregon Minimum Wage	\$11.50 starting 7/1/20	\$12.00 starting 7/1/21

Withholding Tables:

New Federal tables for 2021 – Please use Publication 15T
 All employers are REQUIRED to have the most recent version of the W-4 form available for employees.
 Use 2020 rates for Oregon tables until notified by Oregon Department of Revenue of any change.

Additional W-2 Items:

Personal use of corporate owned autos, if not reimbursed to the corporation, must be included as part of total compensation on W-2 Forms.

Additionally, the amounts must be listed in Box 14 on the W-2 Forms. This amount is subject to all payroll taxes. If you need help in determining the personal use amount, please call our office with the following information:

1. Make, Model and Year
2. Date acquired and original purchase price
3. Total miles and personal miles

State wide transit tax is a tax for all Oregon working residents regardless of where work is performed and all non-resident persons who perform work inside Oregon. This tax is one-tenth of one percent, or .001, of the taxable wages and is not subject to exemptions, so employees who do not pay income tax due to high exemptions will still be taxed. Self-employment income is not subject to this tax. The total tax amount deducted from wages will be reported in Box 14 on the W-2 Forms.

The cost of health and accident insurance premiums paid on behalf of greater than 2% S Corporation Shareholders is deductible by the S Corporation and reportable as additional compensation to the Shareholder. The additional compensation is included in Box 1 and Box 16 (Wages) of the Form W-2. Also include on fourth-quarter 941, Box 1 and Column B, Box 1 of the OQ. If these payments are made under a "plan" for the S Corporation employees and their dependents, the amount would only be subject to income tax withholding and would not be included in Boxes 3 or 5 of Form W-2 for Social Security or Medicare; nor would it be subject to the FUTA tax.

For employers with over 50 full time employees, the health insurance premiums paid by the employer and employee must be included in Box 12 of the W-2 form with a code of DD. Each employer must file forms 1094-C and 1095-C with the IRS and supply each full time employee with form 1095-C with their form W-2. See IRS notice HCTT-2015-62 for more details.

Employers with 10 or more employees must provide at least 40 hours of paid sick time in 2020, accrued at a rate of .03333 per hour worked. In Portland employers are required if they have 6 employees.

Please feel free to contact our office if you have any questions.

Regards,

WICKS EMMETT LLP

Certified Public Accountants