

## **Maximum wage contribution and the amount for a credit in 2009.**

### **Question**

What is the maximum taxable earnings amount for Social Security in 2010, and what amount constitutes a quarter of coverage (also know as a "credit") for 2010?

### **Answer**

For 2010, the maximum taxable earnings amount for Social Security is \$106,800.

The Social Security tax rate for wages paid in 2010 is 6.2 percent each for employees and employers. Thus, an individual with wages equal to or more than \$106,800 would contribute \$6,621.60 to Social Security in 2010. The employer would contribute the same amount. The tax rate for self-employment income in 2010 is 12.4 percent.

For Medicare's Hospital Insurance program, there is no limitation on taxable earnings. Tax rates under the Medicare program are 1.45 percent for employees and employers, each, and 2.90 percent for self-employed persons.

The amount of earnings required to earn one quarter of coverage for Social Security is \$1,120 for 2010.