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2009 Key Numbers



IPI Asset Management, Inc.
Integrity ★ Performance ★ Innovation

Strategic Lifestyle & Wealth Management

November 23, 2009

Individual Income Tax Planning	2009	2010
Adoption Credit		
*Maximum credit	\$12,150	\$12,170
Phaseout threshold amount	\$182,180	\$182,520
Completed phaseout amount after	\$222,180	\$222,520
Alternative Minimum Tax (AMT)		
*Maximum AMT exemption amount		
Married filing jointly or surviving spouse	\$70,950	\$45,000 ¹
Single or head of household	\$46,700	\$33,750 ¹
Married filing separately	\$35,475	\$22,500 ¹
*AMT income exemption phaseout threshold		
Married filing jointly or surviving spouse	\$150,000	\$150,000
Single or head of household	\$112,500	\$112,500
Married filing separately	\$75,000	\$75,000
Charitable deductions:		
*Use of auto for charitable purposes (deductible standard mileage rate)	\$0.14	\$0.14
Charitable fundraising contributions "insubstantial benefit" limitations:		
*Low-cost article (re: unrelated business income)	\$9.50	\$9.60
*Other insubstantial benefits (re: gifts to donor in return for contribution). Contribution is fully deductible if minimum contribution amount is met and cost of token gift does not exceed maximum.		
Token gift maximum cost	\$9.50	\$9.60
Minimum contribution amount	\$47.50	\$48
*Charitable contribution is fully deductible if the benefit received by the donor doesn't exceed the lesser of the threshold amount or 2% of the amount of the contribution		
Threshold amount	\$95	\$96
Child tax credit		
*Maximum credit per qualifying child	\$1,000	\$1,000
*Phaseout-- credit reduced by \$50 for each \$1,000 or fraction thereof of MAGI over:		
Single	\$75,000	\$75,000
Married Filing Jointly	\$110,000	\$110,000
Married Filing Separately	\$55,000	\$55,000
*Refundability -- up to specified percentage of earned income in excess of specified amount		
Percentage	15%	15%
Amount	\$3,000	\$3,000
Classroom expenses of elementary and secondary school teachers (maximum above-the-line deduction)	\$250	N/A ¹

Individual Income Tax Planning	2009	2010
Earned income tax credit (EITC):		
*Excessive investment income limit ("disqualified income limit")	\$3,100	\$3,100
*Maximum amount of EITC per number of children		
0 children	\$457	\$457
1 child	\$3,043	\$3,050
2 children	\$5,028	\$5,036
3 or more children	\$5,657	\$5,666
*Maximum amount of earned income on which EITC is based (earned income over this amount but under the threshold phaseout amount will not change the amount of the credit received)		
0 children	\$5,970	\$5,980
1 child	\$8,950	\$8,970
2 or more children	\$12,570	\$12,590
*Threshold phaseout amount for joint filers per number of children		
0 children	\$12,470	\$12,490
1 child	\$21,420	\$21,460
2 children	\$21,420	\$21,460
3 or more children	\$21,420	\$21,460
*Threshold phaseout amount for other filers per number of children		
0 children	\$7,470	\$7,480
1 child	\$16,420	\$16,450
2 children	\$16,420	\$16,450
3 or more children	\$16,420	\$16,450
*Completed phaseout amount for joint filers per number of children		
0 children	\$18,440	\$18,470
1 child	\$40,463	\$40,545
2 children	\$45,295	\$45,373
3 or more children	\$48,279	\$48,362
*Completed phaseout amount for other filers per number of children		
0 children	\$13,440	\$13,460
1 child	\$35,463	\$35,535
2 children	\$40,295	\$40,363
3 or more children	\$43,279	\$43,352
Expatriation		
*An individual with "average annual net income tax" of more than this amount for the five taxable years ending before his or her loss of citizenship is a covered expatriate for purposes of IRC §877A(g)(1)	\$145,000	\$145,000
*IRC §877A(3) exclusion amount	\$626,000	\$627,000
Foreign earned income exclusion:		
	\$91,400	\$91,500
Itemized Deductions ²		
*Itemized deductions threshold phaseout amount for MFS:	\$83,400	N/A
*Itemized deductions threshold phaseout amount for all others:	\$166,800	N/A

Individual Income Tax Planning	2009	2010
Kiddie tax:		
*Unearned income limit		
Amount exempt from tax	\$950	\$950
Additional amount taxed at child's rate	\$950	\$950
Unearned income over this amount taxed at parent's rate	\$1,900	\$1,900
*Election to include child's income on parent's return--child's gross income requirement	\$950 - \$9,500	\$950 - \$9,500
*AMT exemption for child subject to kiddie tax:	Lesser of \$6,700 + child's earned income or \$46,700	Lesser of \$6,700 + child's earned income or \$33,750 ¹
Making Work Pay tax credit		
*Maximum credit		
Filing status other than married filing jointly	\$400	\$400
Married filing jointly	\$800	\$800
*Income phaseout: Other than married filing jointly		
Phaseout threshold amount	\$75,000	\$75,000
Completed phaseout amount after	\$95,000	\$95,000
*Income phaseout: Married filing jointly		
Phaseout threshold amount	\$150,000	\$150,000
Completed phaseout amount after	\$190,000	\$190,000
Nanny tax (domestic employee coverage threshold)	\$1,700	\$1,700
Personal exemption amount: ³	\$3,650	\$3,650
*Personal exemption amount for taxpayers with AGI exceeding maximum phaseout threshold	\$2,433	N/A
*Married filing jointly		
Phaseout threshold amount	\$250,200	N/A
Completed phaseout amount after	\$372,700	N/A
*Head of household		
Phaseout threshold amount	\$208,500	N/A
Completed phaseout amount after	\$331,000	N/A
*Single		
Phaseout threshold amount	\$166,800	N/A
Completed phaseout amount after	\$289,300	N/A
*Married filing separately		
Phaseout threshold amount	\$125,100	N/A
Completed phaseout amount after	\$186,350	N/A
"Saver's Credit" (Elective Deferrals and IRA Contributions by Certain Individuals)		
*Maximum credit amount	\$1,000	\$1,000
*Applicable percentage of 50% applies to AGI		
Joint Return	\$0 - \$33,000	\$0 - \$33,500
Head of Household	\$0 - \$24,750	\$0 - \$25,125
Other	\$0 - \$16,500	\$0 - \$16,750
*Applicable percentage of 20% applies to AGI		
Joint Return	\$33,000 - \$36,000	\$33,500 - \$36,000
Head of Household	\$24,750 - \$27,000	\$25,125 - \$27,000
Other	\$16,500 - \$18,000	\$16,750 - \$18,000
*Applicable percentage of 10% applies to AGI		
Joint Return	\$36,000 - \$55,500	\$36,000 - \$55,500
Head of Household	\$27,000 - \$41,625	\$27,000 - \$41,625
Other	\$18,000 - \$27,750	\$18,000 - \$27,750
*Applicable percentage of 0% applies to AGI		
Joint Return	Over \$55,500	Over \$55,500
Head of Household	Over \$41,625	Over \$41,625
Other	Over \$27,750	Over \$27,750

Individual Income Tax Planning	2009	2010
Standard deductions: ⁴		
*Married filing jointly or surviving spouse	\$11,400	\$11,400
*Head of household	\$8,350	\$8,400
*Single	\$5,700	\$5,700
*Married filing separately	\$5,700	\$5,700
*Dependent	Greater of \$950, or \$300 + earned income	Greater of \$950, or \$300 + earned income
*Additional deduction for aged or blind (single or head of household)	\$1,400	\$1,400
* Additional deduction for aged or blind (all other filing statuses)	\$1,100	\$1,100
* Additional standard deduction for state and local real property taxes (maximum additional deduction) ⁵		
Married filing jointly	\$1,000	N/A
All other filing statuses	\$500	N/A
Standard mileage rates:		
*Use of auto for business purposes (cents per mile)	\$0.55	TBD
*Use of auto for medical purposes (cents per mile)	\$0.24	TBD
*Use of auto for moving purposes (cents per mile)	\$0.24	TBD

¹ Assumes no additional Congressional action.

² The phaseout of itemized deductions for individuals with higher AGIs is itself phased out. In 2009, only 1/3 of the calculated reduction was used to reduce allowable itemized deductions. In 2010, this phaseout of itemized deductions for individuals with higher AGIs does not apply.

³ The phaseout of exemptions for individuals with higher AGIs is itself phased out. In 2009, only 1/3 of the calculated reduction was used to reduce allowable exemptions. In 2010, the phaseout does not apply.

⁴ Qualifying individuals who do not itemize deductions are allowed to deduct state sales tax and excise tax attributable to the purchase of a qualified motor vehicle on or after 2/17/09 and before 1/1/10 as part of the standard deduction. A purchase price cap and a modified adjusted gross income phaseout apply.

⁵ Housing Assistance Tax Act of 2008 and the Emergency Economic Stabilization Act of 2008.

2010 Marginal Income Tax Rates

Unmarried taxpayers

If taxable income is:	Your tax is:
Not over \$8,375	10% of taxable income
Over \$8,375 to \$34,000	\$837.50 + 15% of the excess over \$8,375
Over \$34,000 to \$82,400	\$4,681.25 + 25% of the excess over \$34,000
Over \$82,400 to \$171,850	\$16,781.25 + 28% of the excess over \$82,400
Over \$171,850 to \$373,650	\$41,827.25 + 33% of the excess over \$171,850
Over \$373,650	\$108,421.25 + 35% of the excess over \$373,650

Married filing jointly and surviving spouses

If taxable income is:	Your tax is:
Not over \$16,750	10% of taxable income
Over \$16,750 to \$68,000	\$1,675 + 15% of the excess over \$16,750
Over \$68,000 to \$137,300	\$9,362.50 + 25% of the excess over \$68,000
Over \$137,300 to \$209,250	\$26,687.50 + 28% of the excess over \$137,300
Over \$209,250 to \$373,650	\$46,833.50 + 33% of the excess over \$209,250
Over \$373,650	\$101,085.50 + 35% of the excess over \$373,650

Married individuals filing separately

If taxable income is:	Your tax is:
Not over \$8,375	10% of taxable income
Over \$8,375 to \$34,000	\$837.50 + 15% of the excess over \$8,375
Over \$34,000 to \$68,650	\$4,681.25 + 25% of the excess over \$34,000
Over \$68,650 to \$104,625	\$13,343.75 + 28% of the excess over \$68,650
Over \$104,625 to \$186,825	\$23,416.75 + 33% of the excess over \$104,625
Over \$186,825	\$50,542.75 + 35% of the excess over \$186,825

Heads of household

If taxable income is:	Your tax is:
Not over \$11,950	10% of taxable income
Over \$11,950 to \$45,550	\$1,195 + 15% of the excess over \$11,950
Over \$45,550 to \$117,650	\$6,235 + 25% of the excess over \$45,550
Over \$117,650 to \$190,550	\$24,260 + 28% of the excess over \$117,650
Over \$190,550 to \$373,650	\$44,672 + 33% of the excess over \$190,550
Over \$373,650	\$105,095 + 35% of the excess over \$373,650

Trusts and estates

If taxable income is:	Your tax is:
Not over \$2,300	15% of taxable income
Over \$2,300 to \$5,350	\$345 + 25% of the excess over \$2,300
Over \$5,350 to \$8,200	\$1,107.50 + 28% of the excess over \$5,350
Over \$8,200 to \$11,200	\$1,905.50 + 33% of the excess over \$8,200
Over \$11,200	\$2,895.50 + 35% of the excess over \$11,200

2009 Marginal Income Tax Rates

Unmarried taxpayers

If taxable income is:	Your tax is:
Not over \$8,350	10% of taxable income
Over \$8,350 to \$33,950	\$835 + 15% of the excess over \$8,350
Over \$33,950 to \$82,250	\$4,675 + 25% of the excess over \$33,950
Over \$82,250 to \$171,550	\$16,750 + 28% of the excess over \$82,250
Over \$171,550 to \$372,950	\$41,754 + 33% of the excess over \$171,550
Over \$372,950	\$108,216 + 35% of the excess over \$372,950

Married filing jointly and surviving spouses

If taxable income is:	Your tax is:
Not over \$16,700	10% of taxable income
Over \$16,700 to \$67,900	\$1,670 + 15% of the excess over \$16,700
Over \$67,900 to \$137,050	\$9,350 + 25% of the excess over \$67,900
Over \$137,050 to \$208,850	\$26,637.50 + 28% of the excess over \$137,050
Over \$208,850 to \$372,950	\$46,741.50 + 33% of the excess over \$208,850
Over \$372,950	\$100,894.50 + 35% of the excess over \$372,950

Married individuals filing separately

If taxable income is:	Your tax is:
Not over \$8,350	10% of taxable income
Over \$8,350 to \$33,950	\$835 + 15% of the excess over \$8,350
Over \$33,950 to \$68,525	\$4,675 + 25% of the excess over \$33,950
Over \$68,525 to \$104,425	\$13,318.75 + 28% of the excess over \$68,525
Over \$104,425 to \$186,475	\$23,370.75 + 33% of the excess over \$104,425
Over \$186,475	\$50,447.25 + 35% of the excess over \$186,475

Heads of household

If taxable income is:	Your tax is:
Not over \$11,950	10% of taxable income
Over \$11,950 to \$45,500	\$1,195 + 15% of the excess over \$11,950
Over \$45,500 to \$117,450	\$6,227.50 + 25% of the excess over \$45,500
Over \$117,450 to \$190,200	\$24,215 + 28% of the excess over \$117,450
Over \$190,200 to \$372,950	\$44,585 + 33% of the excess over \$190,200
Over \$372,950	\$104,892.50 + 35% of the excess over \$372,950

Trusts and estates

If taxable income is:	Your tax is:
Not over \$2,300	15% of taxable income
Over \$2,300 to \$5,350	\$345 + 25% of the excess over \$2,300
Over \$5,350 to \$8,200	\$1,107.50 + 28% of the excess over \$5,350
Over \$8,200 to \$11,150	\$1,905.50 + 33% of the excess over \$8,200
Over \$11,150	\$2,879 + 35% of the excess over \$11,150

Business Planning	2009	2010
Adoption Assistance Programs		
*Maximum amount that can be excluded from employee's gross income	\$12,150	\$12,170
Phaseout threshold amount	\$182,180	\$182,520
Completed phaseout amount after	\$222,180	\$222,520
Earnings subject to FICA taxes (taxable wage base):		
*Maximum annual earnings subject to Social Security taxes	\$106,800	\$106,800
*Social Security and Medicare combined tax rate	15.30%	15.30%
OASDI portion (Social Security)	12.40%	12.40%
Hospital Insurance portion (Medicare)	2.90%	2.90%
Health insurance deduction for self-employed:		
*Deduction for health insurance premiums paid by self-employed persons	100%	100%
Qualified transportation fringe benefits:		
*Commuter vehicles and transit pass monthly exclusion amount	\$230 ¹	\$230
*Qualified parking monthly exclusion amount	\$230	\$230
*Qualified bicycle commuting reimbursement fringe benefit (monthly amount)	\$20	\$20
Section 179 expensing		
*Maximum amount that may be deducted under section 179	\$250,000	\$134,000
*Deduction reduced by the amount by which the cost of §179 property placed in service during the year exceeds this amount	\$800,000	\$530,000
Special additional first-year depreciation allowance		
"Bonus" depreciation for qualified property acquired and placed in service during specified time periods	50%	0
Standard mileage rate (per mile):		
*Use of auto for business purposes	\$0.55	TBD
Tax on accumulated earnings and personal holding company income		
*Maximum tax on these items (prior to the 2003 Tax Act, these items were taxed at the highest marginal personal income tax rate).	15%	15%

¹ The monthly exclusion amount for January and February of 2009 was \$120

Education Planning	2009	2010
Coverdell education savings accounts (formerly known as education IRAs):		
*Annual contribution limit	\$2,000	\$2,000
*MAGI phaseout range for Coverdell education savings accounts		
Single--phaseout threshold amount	\$95,000	\$95,000
Single--completed phaseout amount after	\$110,000	\$110,000
Married filing jointly--phaseout threshold amount	\$190,000	\$190,000
Married filing jointly--completed phaseout threshold amount	\$220,000	\$220,000
Deduction for qualified higher education expenses		
*Maximum deduction	\$4,000	N/A
*MAGI maximum for full \$4,000 deduction		
Single	\$65,000	N/A
Married filing jointly	\$130,000	N/A
*Reduced deduction available		
	\$2,000	N/A
*MAGI range for \$2,000 deduction		
Single--MAGI greater than this amount:	\$65,000	N/A
Single--MAGI does not exceed this amount:	\$80,000	N/A
Married filing jointly--MAGI greater than this amount:	\$130,000	N/A
Married filing jointly--MAGI does not exceed this amount:	\$160,000	N/A
Education loans--interest deduction		
*Maximum deduction for interest paid on qualified education loans	\$2,500	\$2,500
*MAGI phaseout range		
Single--phaseout threshold amount	\$60,000	\$60,000
Single--completed phaseout amount after	\$75,000	\$75,000
Married filing jointly--phaseout threshold amount	\$120,000	\$120,000
Married filing jointly--completed phaseout amount after	\$150,000	\$150,000
Gift tax exclusion		
Annual gift tax exclusion-- <i>single individual</i>	\$13,000	\$13,000
Annual gift tax exclusion-- <i>joint gift</i>	\$26,000	\$26,000
Lump-sum gift to 529 plan-- <i>single individual</i>	\$65,000	\$65,000
Lump-sum gift to 529 plan-- <i>joint gift</i>	\$130,000	\$130,000
Kiddie tax		
Generally, children ¹ pay federal income tax at their parents' rate on any investment income over...	\$1,900	\$1,900
U.S. savings bonds--interest exclusion for higher education expenses:		
*Joint returns		
Phaseout threshold for joint returns	\$104,900	\$105,100
Completed phaseout amount after	\$134,900	\$135,100
*Other returns		
Phaseout threshold for other returns	\$69,950	\$70,100
Completed phaseout amount after	\$84,950	\$85,100

¹ For tax years beginning after May 25, 2007, the kiddie tax rules apply to children under age 19 and full-time students over age 18 but under age 24 unless an exception applies.

Education Planning	2009	2010
Hope ¹ and Lifetime Learning credits		
*Maximum Lifetime Learning credit	\$2,000	\$2,000
*Maximum Lifetime Learning credit--Midwestern disaster area	\$4,000	N/A
*Maximum Hope credit	\$2,500	\$2,500
*Maximum Hope credit--Midwestern disaster area	\$3,600	N/A
*MAGI phaseout range for Lifetime Learning credit		
Single--phaseout threshold amount	\$50,000	\$50,000
Single--completed phaseout amount after	\$60,000	\$60,000
Married filing jointly--phaseout threshold amount	\$100,000	\$100,000
Married filing jointly--completed phaseout amount after	\$120,000	\$120,000
*MAGI phaseout range for Hope Credit		
Single--phaseout threshold amount	\$80,000	\$80,000
Single--completed phaseout amount after	\$90,000	\$90,000
Married filing jointly--phaseout threshold amount	\$160,000	\$160,000
Married filing jointly--completed phaseout amount after	\$180,000	\$180,000

¹ For 2009 and 2010, the American Recovery and Reinvestment Act of 2009 modifies the Hope credit and renames it the American Opportunity tax credit.

Protection Planning	2009	2010
Eligible long-term care premium deduction limits:		
*Age 40 or under	\$320	\$330
*Age 41-50	\$600	\$620
*Age 51-60	\$1,190	\$1,230
*Age 61-70	\$3,180	\$3,290
*Over age 70	\$3,980	\$4,110
Per diem limit: periodic payments for qualified long-term care insurance/ certain life insurance:	\$280	\$290
Archer Medical Savings Accounts		
*High deductible health plan--self-only coverage		
Annual deductible--minimum	\$2,000	\$2,000
Annual deductible--maximum	\$3,000	\$3,000
Annual out-of-pocket expenses required to be paid (other than for premiums) can't exceed	\$4,000	\$4,050
*High deductible health plan--family coverage		
Annual deductible--minimum	\$4,000	\$4,050
Annual deductible--maximum	\$6,050	\$6,050
Annual out-of-pocket expenses required to be paid (other than for premiums) can't exceed	\$7,350	\$7,400

Protection Planning	2009	2010
Health Savings Accounts (HSAs)		
*Annual contribution limit		
Self-only coverage	\$3,000	\$3,050
Family coverage	\$5,950	\$6,150
*High deductible health plan--self-only coverage		
Annual deductible--minimum	\$1,150	\$1,200
Annual out-of-pocket expenses required to be paid (other than for premiums) can't exceed	\$5,800	\$5,950
*High deductible health plan--family coverage		
Annual deductible--minimum	\$2,300	\$2,400
Annual out-of-pocket expenses required to be paid (other than for premiums) can't exceed	\$11,600	\$11,900
*Annual catch up contribution limit for individuals age 55 or older	\$1,000	\$1,000

Estate Planning	2009	2010
Annual gift exclusion:	\$13,000	\$13,000
Estate tax applicable exclusion amount:	\$3,500,000	N/A ¹
Gift tax applicable exclusion amount:	\$1,000,000	\$1,000,000
Noncitizen spouse annual gift exclusion:	\$133,000	\$134,000
GSTT exemption:	\$3,500,000	N/A ¹
Special use valuation limit (qualified real property in decedent's gross estate):	\$1,000,000	\$1,000,000
Qualified conservation easement exclusion:		
*Dollar cap amount (exclusion of up to 40% of land value)	500,000	N/A ¹
Qualified funeral trusts:		
*Maximum contribution to a qualified funeral trust (aggregate contribution limit)	N/A ²	N/A ²

¹ Assumes no additional action by Congress.

² Dollar limit repealed for tax years beginning after August 29, 2008.

2009 Estate Tax Rate Schedule

Taxable Estate	Tentative Tax Equals Base Tax of	Plus	Of Amount Over
0 - \$10,000	\$0	18%	\$0
\$10,000 - \$20,000	\$1,800	20%	\$10,000
\$20,000 - \$40,000	\$3,800	22%	\$20,000
\$40,000 - \$60,000	\$8,200	24%	\$40,000
\$60,000 - \$80,000	\$13,000	26%	\$60,000
\$80,000 - \$100,000	\$18,200	28%	\$80,000
\$100,000 - \$150,000	\$23,800	30%	\$100,000
\$150,000 - \$250,000	\$38,800	32%	\$150,000
\$250,000 - \$500,000	\$70,800	34%	\$250,000
\$500,000 - \$750,000	\$155,800	37%	\$500,000
\$750,000 - \$1,000,000	\$248,300	39%	\$750,000
\$1,000,000 - \$1,250,000	\$345,800	41%	\$1,000,000
\$1,250,000 - \$1,500,000	\$448,300	43%	\$1,250,000
\$1,500,000-----	\$555,800	45%	\$1,500,000
2009 credit shelter amount \$3,500,000	2009 credit amount \$1,455,800		

Government Benefits	2009	2010
Social Security		
Social Security Cost-of-living adjustment (COLA)		
* For Social Security and Supplemental Security Income (SSI) beneficiaries	5.80%	0.00%
Tax rate		
* FICA tax -- Employee	7.65%	7.65%
Social Security (OASDI) portion of tax	6.20%	6.20%
Medicare (HI) portion of tax	1.45%	1.45%
* Self-Employed	15.30%	15.30%
Social Security (OASDI) portion of tax	12.40%	12.40%
Medicare (HI) portion of tax	2.90%	2.90%
Maximum taxable earnings		
* Social Security (OASDI only)	\$106,800	\$106,800
* Medicare (HI only)	No limit	No limit
Quarter of coverage		
* Earnings required	\$1,090	\$1,120
Retirement earnings test--exempt amounts		
* Under full retirement age		
Benefits reduced by \$1 for each \$2 earned above:		
Yearly figure	\$14,160	\$14,160
Monthly figure	\$1,180	\$1,180
* Year individual reaches full retirement age		
Benefits reduced by \$1 for each \$3 earned above (applies only to earnings for months prior to attaining full retirement age):		
Yearly figure	\$37,680	\$37,680
Monthly figure	\$3,140	\$3,140
* Beginning the month individual attains full retirement age	No limit on earnings	No limit on earnings
Social Security disability thresholds		
* Substantial gainful activity (SGA): for the sighted (monthly figure)	\$980	\$1,000
* Substantial gainful activity: for the blind (monthly figure)	\$1,640	\$1,640
* Trial work period (TWP) (monthly figure)	\$700	\$720
SSI federal payment standard		
* Individual (monthly figure)	\$674	\$674
* Couple (monthly figure)	\$1,011	\$1,011
SSI resource limits		
* Individual	\$2,000	\$2,000
* Couple	\$3,000	\$3,000
SSI student exclusion limits		
* Monthly limit	\$1,640	\$1,640
* Annual limit	\$6,600	\$6,600

Government Benefits	2009	2010
Maximum Social Security benefit		
* Worker retiring at full retirement age (monthly figure)	\$2,323	\$2,346
Formula for Monthly Primary Insurance Amount (PIA) (90% of first X of AIME + 32% of the AIME over X and through Y + 15% of AIME over Y)	X=\$744 Y=\$4,483	X=\$761 Y=\$4,586
Medicare		
Medicare monthly premium amounts		
* Part A (hospital insurance) premium		
Individuals with 40 or more quarters of Medicare-covered employment	\$0	\$0
Individuals with 30 to 39 quarters of Medicare-covered employment who are not otherwise eligible for premium-free hospital insurance	\$244	\$254
Individuals with less than 30 quarters of Medicare-covered employment who are not otherwise eligible for premium-free hospital insurance	\$443	\$461
* Part B (medical insurance) monthly premium		
For beneficiaries who file an individual income tax return with income that is:		
2009	2010	
Less than or equal to \$85,000	Less than or equal to \$85,000	\$96.40
85,000.01 - \$107,000	\$85,000.01 - \$107,000	\$134.90
\$107,000.01 - \$160,000	\$107,000.01 - \$160,000	\$192.70
\$160,000.01 - \$213,000	\$160,000.01 - \$214,000	\$250.50
Greater than \$213,000	Greater than \$214,000	\$308.30
For beneficiaries who file a joint income tax return with income that is:		
2009	2010	
Less than or equal to \$170,000	Less than or equal to \$170,000	\$96.40
\$170,000.01 - \$214,000	\$170,000.01 - \$214,000	\$134.90
\$214,000.01 - \$320,000	\$214,000.01 - \$320,000	\$192.70
\$320,000.01 - \$426,000	\$320,000.01 - \$428,000	\$250.50
Greater than \$426,000	Greater than \$428,000	\$308.30
For beneficiaries who are married, but file a separate tax return from their spouse and lived with spouse at some time during the taxable year with income that is:		
2009	2010	
Less than or equal to \$85,000	Less than or equal to \$85,000	\$96.40
\$85,000.01 - \$128,000	\$85,000.01 - \$129,000	\$250.50
Greater than \$128,000	Greater than \$129,000	\$308.30

¹ Premium for beneficiaries who had the Social Security Administration withhold their Part B premium in 2009 is \$96.40; premium for all others is \$110.50.

Government Benefits	2009	2010
Original Medicare plan deductible and coinsurance amounts		
* Part A (hospital insurance)		
Deductible per benefit period	\$1,068	\$1,100
Coinsurance per day for 61st to 90th day of each benefit period	\$267	\$275
Coinsurance per day for 91st to 150th day for each lifetime reserve day (total of 60 lifetime reserve days--nonrenewable)	\$534	\$550
* Skilled nursing facility coinsurance per day for 21st to 100th day of each benefit period	\$133.50	\$137.50
* Part B (medical insurance) annual deductible		
Individual pays 20 percent of the Medicare-approved amount for services after deductible is met	\$135	\$155
Medicaid		
Monthly income threshold for income-cap states ("300 percent cap limit")	\$2,022	\$2,022
Monthly maintenance needs allowance for at-home spouse		
*Minimum ²	\$1,750.00	\$1,822.00
*Maximum	\$2,739.00	\$2,739.00
Spousal resource allowance		
*Minimum	\$21,912.00	\$21,912.00
*Maximum	\$109,560.00	\$109,560.00

² Amounts listed actually effective as of July of prior year; different amounts apply to Alaska and Hawaii.

Retirement Planning	2009	2010
Employee/individual contribution limits		
Elective deferral limits		
* 401(k) plans, 403(b) plans, 457(b) plans, and SAR-SEPs ¹ (Includes Roth 401(k) and Roth 403(b) contributions)	Lesser of \$16,500 or 100% of participant's compensation	Lesser of \$16,500 or 100% of participant's compensation
* SIMPLE 401(k) plans and SIMPLE IRA plans ¹	Lesser of \$11,500 or 100% of participant's compensation	Lesser of \$11,500 or 100% of participant's compensation
IRA contribution limits		
*Traditional IRAs	Lesser of \$5,000 or 100% of earned income	Lesser of \$5,000 or 100% of earned income
*Roth IRAs	Lesser of \$5,000 or 100% of earned income	Lesser of \$5,000 or 100% of earned income
Additional "catch-up" limits (individuals age 50 or older)		
* 401(k) plans, 403(b) plans, 457(b) plans, and SAR-SEPs ²	\$5,500	\$5,500
* SIMPLE 401(k) plans and SIMPLE IRA plans	\$2,500	\$2,500
* IRAs (traditional and Roth)	\$1,000	\$1,000
Employer contribution/benefit limits ³		
Defined benefit plan limits		
*Annual contribution limit per participant	No predetermined limit. Contributions based on amount needed to fund promised benefits	No predetermined limit. Contributions based on amount needed to fund promised benefits
*Annual benefit limit per participant	Lesser of \$195,000 or 100% of average compensation for highest three consecutive years	Lesser of \$195,000 or 100% of average compensation for highest three consecutive years

¹ Must aggregate employee contributions to all 401(k), 403(b), SAR-SEP, and SIMPLE plans of all employers. 457(b) plan contributions are not aggregated. For SAR-SEPs, the percentage limit is 25% of compensation reduced by elective deferrals (effectively, a 20% maximum contribution).

² Special catch-up limits may also apply to 403(b) and 457(b) plan participants.

³ For self-employed individuals, compensation generally means earned income. This means that, for qualified plans, deductible contributions for a self-employed individual are limited to 20% of net earnings from self-employment (net profits minus self-employment tax deduction), and special rules apply in calculating the annual additions limit.

Retirement Planning	2009	2010
Defined contribution plan limits (qualified plans, 403(b) plans, SEP, and SIMPLE plans)		
*Annual addition limit per participant (employer contributions; employee pretax, after-tax, and Roth contributions; and forfeitures) (does not apply to SIMPLE IRA plans)	Lesser of \$49,000 or 100% (25% for SEP) of participant's compensation	Lesser of \$49,000 or 100% (25% for SEP) of participant's compensation
*Maximum tax-deductible employer contribution (not applicable to 403(b) plans)	25% of total compensation of employees covered under the plan (20% if self employed) plus any employee pretax and Roth contributions; 100% for SIMPLE plans	25% of total compensation of employees covered under the plan (20% if self employed) plus any employee pretax and Roth contributions; 100% for SIMPLE plans
Compensation limits/thresholds		
Retirement plan compensation limits		
*Maximum compensation per participant that can be used to calculate tax-deductible employer contribution (qualified plans and SEPs)	\$245,000	\$245,000
*Compensation threshold used to determine a highly-compensated employee	\$110,000 (when 2009 is the look-back year)	\$110,000 (when 2010 is the look-back year)
*Compensation threshold used to determine a key employee in a top-heavy plan	\$1 for more-than-5% owners \$160,000 for officers \$150,000 for more-than-1% owners	\$1 for more-than-5% owners \$160,000 for officers \$150,000 for more-than-1% owners
*Compensation threshold used to determine a qualifying employee under a SIMPLE plan	\$5,000	\$5,000
*Compensation threshold used to determine a qualifying employee under a SEP plan	\$550	\$550
Traditional deductible IRA income limits		
*Income phase-out range for determining deductibility of traditional IRA contributions for taxpayers:		
1. Covered by an employer-sponsored plan and filing as:		
Single	\$55,000-\$65,000	\$56,000-\$66,000
Married filing jointly	\$89,000-\$109,000	\$89,000-\$109,000
Married filing separately	\$0-\$10,000	\$0-\$10,000
2. Not covered by an employer-sponsored retirement plan, but filing joint return with a spouse who is covered by an employer-sponsored retirement plan	\$166,000-\$176,000	\$167,000-\$177,000
Roth IRA income limits		
*Income phase-out range for determining ability to fund Roth IRA for taxpayers filing as:		
Single	\$105,000-\$120,000	\$105,000-\$120,000
Married filing jointly	\$166,000-\$176,000	\$167,000-\$177,000
Married filing separately	\$0-\$10,000	\$0-\$10,000
*Annual income limit for determining ability to convert traditional IRA to Roth IRA	\$100,000	N/A

Investment Planning	2009	2010
Tax on long-term capital gains		
Taxpayers in marginal tax brackets greater than 15%	15%	15%
Taxpayers in marginal tax brackets 15% or less	0%	0%
Tax on dividends		
*Maximum tax rate on dividends received by an individual shareholder from domestic and qualified foreign corporations		
Taxpayers in marginal tax brackets greater than 15%	15%	15%
Taxpayers in marginal tax brackets 15% or less	0%	0%
(Prior to 2003 Tax Act, dividends were taxed as ordinary income)		



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