



2010 Financial Planning Annual Limits

| Retirement Plans | |
|---|-----------------|
| Elective deferrals 401(k), 403(b), 457, and SARSEPs | \$16,500 |
| Catch-up contribution | \$5,500 |
| Defined contribution (§415(c)(1)(A)) | \$49,000 |
| Defined benefit (§415(b)(1)(A)) | \$195,000 |
| SIMPLE plan | \$11,500 |
| SIMPLE catch-up contribution | \$2,500 |
| Maximum includible compensation | \$245,000 |
| Highly compensated employee (§414(q)) | \$110,000 |
| Key employee (top-heavy plan) | >\$160,000 |
| SEP participation limit | \$550 |
| IRA or Roth IRA contribution limit | \$5,000 |
| IRA or Roth IRA catch-up | \$1,000 |
| IRA deduction phaseout for active participants | |
| Single | \$56-\$66,000 |
| Married filing jointly ¹ | \$89-\$109,000 |
| Married filing separately | \$0-\$10,000 |
| Spousal IRA | \$167-\$177,000 |
| Roth IRA phaseout | |
| Single | \$105-\$120,000 |
| Married filing jointly | \$167-\$177,000 |

| Social Security | |
|--|-----------|
| SS wage base | \$106,800 |
| FICA tax rate—employee ⁴ | 7.65% |
| SECA tax rate—self-employed | 15.30% |
| Earnings limitation: | |
| Below FRA (\$1 for \$2) | \$14,160 |
| Persons reaching FRA (\$1 for \$3) | \$37,680 |
| (Applies only to earnings for months prior to attaining FRA) | |
| Social Security cost-of-living adjustment | 0% |
| Quarter of coverage | \$1,120 |
| Maximum benefit: worker retiring at FRA ^{*See Figure I} | \$2,346 |
| Estimated average monthly benefit | \$1,161 |

| Estate and Gift Tax | |
|--|-------------|
| Annual gift tax exclusion | \$13,000 |
| Estate tax exclusion ⁵ | \$3,500,000 |
| Gift tax exclusion | \$1,000,000 |
| Generation skipping exemption ⁵ | \$3,500,000 |
| Maximum estate tax rate ⁵ | 45% |

| Standard Mileage Rates | |
|------------------------------|----------------|
| Business use | 50¢ per mile |
| Charitable use (not indexed) | 14¢ per mile |
| Medical or moving use | 16.5¢ per mile |

| Medicare | |
|---|------------------|
| Monthly premium: | |
| Part A ² | \$461.00 |
| Part B ³ ^{*Also see Figure II} | \$96.40/\$110.50 |
| Part A: | |
| First 60 days—patient pays a deductible | \$1,100 |
| Next 30 days—patient pays per day | \$275 |
| Next 60 days (lifetime reserve days) patient pays per day | \$550 |
| Skilled nursing benefits | |
| First 20 days—patient pays per day | -0- |
| Next 80 days—patient pays per day | \$137.50 |
| Over 100 days—patient pays per day | All costs |
| Part B: | |
| Deductible | \$155 |
| Coinsurance | 20% |
| Part D (Prescription Benefit): | |
| Deductible | \$310 |
| 25% coinsurance on next | \$2,830 |
| Gap | \$3,610 |
| Beneficiary then pays coinsurance amount for additional covered expenses. | |

| Year of Birth | Social Security FRA |
|----------------|---------------------|
| 1941 | 65 and 8 months |
| 1942 | 65 and 10 months |
| 1943-54 | 66 |
| 1955 | 66 and 2 months |
| 1956 | 66 and 4 months |
| 1957 | 66 and 6 months |
| 1958 | 66 and 8 months |
| 1959 | 66 and 10 months |
| 1960 and later | 67 |

| You Pay | If your yearly income is | |
|------------------|--------------------------|---------------------|
| | Single | Married Couple |
| \$96.40/\$110.50 | \$85,000 or less | \$170,000 or less |
| \$154.70 | \$85,001-\$107,000 | \$170,001-\$214,000 |
| \$221.00 | \$107,001-\$160,000 | \$214,001-\$320,000 |
| \$287.30 | \$160,001-\$213,000 | \$320,001-\$426,000 |
| \$353.60 | Above \$213,000 | Above \$426,000 |

| You Pay | If you are married but you file a separate tax return from your spouse and your yearly income is | |
|----------|--|--|
| | | |
| \$110.50 | \$85,000 or less | |
| \$287.30 | \$85,001-\$128,000 | |
| \$353.60 | Above \$128,000 | |

- 1) For married couples who file a joint return and only one is an active participant, the AGI phaseout for the non-active participant spouse is \$166,000-\$176,000
- 2) The Part A premium of \$461.00 per month applies to persons who have fewer than 30 quarters of coverage under Social Security. For those having 30-39 quarters, the Part A Premium is \$254.00 per month.
- 3) Medicare Part B Premium (2010) Medicare beneficiaries who had the Social Security Administration withhold their Part B premium during 2009 and who have incomes of \$85,000 or less (or \$170,000 or less for joint filers) will not have an increase in their Part B premium in 2010. For all others, there is a 15% increase in the rates - See Figure II.
- 4) The FICA tax rate is comprised of two separate payroll taxes: 6.20% for Old-Age, Survivors, and Disability Insurance (OASDI), and 1.45% for Hospital Insurance (HI); for self-employed, the SECA is 12.40% for OASDI and 2.90% for HI.
- 5) These are 2009 amounts. Estate and GSTT taxes are currently scheduled for repeal in 2010. Congress is expected to eliminate the repeal and either extend 2009 numbers through 2010, or legislate different numbers.

| Miscellaneous Items | |
|--|-----------------|
| PBGC maximum monthly benefit (at age 65) | \$4,500 |
| Archer Medical Savings Account | |
| Single high deductible | \$2,000-\$3,000 |
| Family high deductible | \$4,050-\$6,050 |
| Single out-of-pocket maximum | \$4,050 |
| Family out-of-pocket maximum | \$7,400 |
| LTC per diem limit | |
| | \$290 |
| LTC premium as medical expense limitation | |
| Age 40 or less | \$330 |
| Age 41-50 | \$620 |
| Age 51-60 | \$1,230 |
| Age 61-70 | \$3,290 |
| Age 71 or older | \$4,110 |
| Qualified Transportation Fringes (monthly) | |
| Commuter highway vehicle/transit pass | \$230 |
| Qualified parking | \$230 |

| 2010 Tax Rate Schedules | | | | |
|--|--------------|--------------------------------|----------------|--------------------|
| If Taxable Income Is | | Then the Gross Tax Payable Is: | | |
| Over | But Not Over | Amount | Plus (percent) | Of the Amount Over |
| Single Taxpayers (other than surviving spouses and heads of households) | | | | |
| \$0- | \$8,375 | \$0 | 10% | \$0 |
| 8,375- | 34,000 | 837.50 | 15% | 8,375 |
| 34,000- | 82,400 | 4,681.25 | 25% | 34,000 |
| 82,400- | 171,850 | 16,781.25 | 28% | 82,400 |
| 171,850- | 373,650 | 41,827.25 | 33% | 171,850 |
| 373,650- | | 108,421.25 | 35% | 373,650 |
| Married Individuals (and surviving spouses) Filing Joint Returns | | | | |
| \$0- | \$16,750 | \$0 | 10% | \$0 |
| 16,750- | 68,000 | 1,675.00 | 15% | 16,750 |
| 68,000- | 137,300 | 9,362.50 | 25% | 68,000 |
| 137,300- | 209,250 | 26,687.50 | 28% | 137,300 |
| 209,250- | 373,650 | 46,833.50 | 33% | 209,250 |
| 373,650- | | 101,085.50 | 35% | 373,650 |
| Heads of Households | | | | |
| \$0- | \$11,950 | \$0 | 10% | \$0 |
| 11,950- | 45,550 | 1,195.00 | 15% | 11,950 |
| 45,550- | 117,650 | 6,235.00 | 25% | 45,550 |
| 117,650- | 190,550 | 24,260.00 | 28% | 117,650 |
| 190,550- | 373,650 | 44,672.00 | 33% | 190,550 |
| 373,650- | | 105,095.50 | 35% | 373,650 |
| Married Individuals Filing Separate Returns | | | | |
| \$0- | \$8,375 | \$0 | 10% | \$0 |
| 8,375- | 34,000 | 837.50 | 15% | 8,375 |
| 34,000- | 68,650 | 4,681.25 | 25% | 34,000 |
| 68,650- | 104,625 | 13,343.75 | 28% | 68,650 |
| 104,625- | 186,825 | 23,416.75 | 33% | 104,625 |
| 186,825- | | 50,542.75 | 35% | 186,825 |
| Fiduciary (estates and trusts) Taxpayers | | | | |
| \$0- | \$2,300 | \$0 | 15% | \$0 |
| 2,300- | 5,350 | 345.00 | 25% | 2,300 |
| 5,350- | 8,200 | 1,107.50 | 28% | 5,350 |
| 8,200- | 11,200 | 1,905.50 | 33% | 8,200 |
| 11,200- | | 2,895.50 | 35% | 11,200 |

| Health Savings Account | |
|--|----------|
| Minimum Deductible Amount | |
| Single | \$1,200 |
| Family | \$2,400 |
| Maximum Out-of-Pocket Amount | |
| Single | \$5,950 |
| Family | \$11,900 |
| HSA Statutory Contribution Maximum | |
| Single | \$3,050 |
| Family | \$6,150 |
| Catch-Up Contributions (age 55 or older) | \$1,000 |

| Education | |
|---|---------------------|
| EE bonds for education—exclusion phaseout | |
| Single | \$70,100-\$85,100 |
| Married filing jointly | \$105,100-\$135,100 |
| Coverdell Education Savings Account phaseout | |
| Single | \$95-\$110,000 |
| Married filing jointly | \$190-\$220,000 |
| Lifetime Learning Credit—20% of qualified expenses up to \$10,000 | |
| Single | \$50-\$60,000 |
| Married filing jointly | \$100-\$120,000 |
| American Opportunity tax credit—Maximum of \$2,500 | |
| 100% up to \$2,000 of qualified expenses | |
| 25% on next \$2,000—phaseout: | |
| Single | \$80-\$90,000 |
| Married filing jointly | \$160-\$180,000 |
| Education loan deduction (\$2,500) phaseout | |
| Unmarried | \$60-\$75,000 |
| Married filing jointly | \$120-\$150,000 |
| \$4,000 higher education expense deduction (likely to be extended through 2010) | |
| Unmarried AGI cutoff | \$65,000 |
| Married filing jointly AGI cutoff | \$130,000 |
| \$2,000 higher education expense deduction (likely to be extended through 2010) | |
| Unmarried AGI cutoff | \$80,000 |
| Married filing jointly AGI cutoff | \$160,000 |

| Income Tax Exemption & Deductions | |
|--|---------------------|
| Personal exemption | \$3,650 |
| There is no phaseout of personal exemptions for 2010. | |
| Standard deduction | |
| Single | \$5,700 |
| Joint | \$11,400 |
| Head of household | \$8,400 |
| Married—filing separately | \$5,700 |
| Kiddie tax limited standard deduction | \$950 |
| Individual eligible to be claimed as dependent—greater of \$950 or earned income plus \$300, not to exceed full standard deduction of \$5,700. | |
| Elderly or blind additional deduction | |
| Single | \$1,400 |
| Married | \$1,100 |
| There is no phaseout of itemized deductions for 2010. | |
| Section 179 | |
| Maximum election | \$134,000 |
| Phaseout begins | \$530,000 |
| Adoption credit | |
| Maximum | \$12,170 |
| Phaseout | \$182,520-\$222,520 |

