

2010 ANNUAL LIMITS RELATING TO FINANCIAL PLANNING

QUALIFIED PLANS

Elective deferrals 401(k), 403(b), 457, and SARSEPs ..	\$16,500
Catch-up contribution	\$5,500
Defined contribution (\$415)	\$49,000
Defined benefit (\$415)	\$195,000
SIMPLE plan	\$11,500
SIMPLE catch-up contribution	\$2,500
Maximum includible compensation	\$245,000
Highly compensated employee	\$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
Roth IRA phaseout	
Single	\$105-\$120,000
Married filing jointly	\$167-\$177,000

SOCIAL SECURITY

SS taxable wage base	\$106,800
SS tax rate-employee ²	7.65%
SS tax rate-self-employed	15.30%
Earnings limitation:	
Below NRA (\$1 for \$2)	\$14,160
Persons reaching NRA (\$1 for \$3)	\$37,680
(Applies only to earnings for months prior to attaining NRA)	
Social Security cost-of-living adjustment	0%
Quarter of coverage	\$1,120
Maximum benefit: worker retiring at NRA ³	\$2,323

ESTATE AND GIFT TAX

Annual gift tax exclusion	\$13,000
Estate tax exclusion	\$3,500,000
Gift tax exclusion	\$1,000,000
Generation skipping	\$3,500,000

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 Contribution (age 55 older)	\$1,000

EDUCATION

EE bonds for education-phaseout of exclusion	
AGI-filing single	
Minimum	\$70,100
Maximum	\$85,100
AGI-filing jointly	
Minimum	\$105,100
Maximum	\$135,100
Coverdell Education Savings Account phaseout	
Single	\$95-\$110,000
Married-filing jointly	\$190-\$220,000
Hope & Lifetime Learning Credit phaseout	
Unmarried	\$50-\$60,000
Married filing jointly	\$100-\$120,000
Hope credit	
100% up to \$1,200 of qualified expenses	
50% on next \$1,200	
Education loan deduction phaseout	
Unmarried	\$60-\$75,000
Married filing jointly	\$120-\$150,000

INCOME TAX EXEMPTIONS AND DEDUCTIONS

Personal exemption	\$3,650
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There is NO phaseout of personal exemption for 2010

Standard deduction	
Single	\$5,700
Joint	\$11,400
Head of household	\$8,400
Married-filing separately	\$5,700
Kiddie tax standard deduction	\$950
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	\$182,500-\$222,520
Adoption credit	
Maximum	\$12,170
Phaseout	\$182,500-\$222,520

STANDARD MILEAGE RATES

Business use	\$0.55 per mile
Charitable use	\$0.14 per mile
Medical or moving use	\$0.24 per mile

This material is being provided for informational purposes only, and should not be construed or interpreted as tax advice. You should seek the assistance of a professional tax advisor to discuss how these figures could affect your individual situation.

1 For Married Couples who file a joint return and only one spouse is an active participant, the AGI phaseout is \$166,000-176,000.

2 The Social Security tax Rate is comprised of two separate payroll taxes: 6.2% for Old-Age, Survivors, and Disability Insurance (OASDI) and 1.45% for Hospital Insurance (HI).

3 For Retirees born in 1940, NRA is 65 and 6 months; for retirees born in 1941, it is 65 and 8 months.