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Key Financial Numbers for 2010

Happy New Year! Here is a reference document highlighting key numbers used in financial planning and tax preparation for the year ahead. Please note this document is for informational purposes and should not be taken as specific legal, tax or investment advice. You should always contact a professional to review your personal circumstances.

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	\$0.50
*Use of auto for medical purposes (cents per mile)	\$0.24	\$0.165
*Use of auto for moving purposes (cents per mile)	\$0.24	\$0.165

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	\$0.50
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	\$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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