

## 2010 Numbers

| Individual Income Tax Planning  | 2008                | 2009      | 2010                  |
|---|---------------------|-----------|-----------------------|
| <b>Adoption Credit</b>  |                     |           |                       |
| *Maximum credit   | \$11,650            | \$12,150  | \$12,170              |
| Phaseout threshold amount   | \$174,730           | \$182,180 | \$182,520             |
| Completed phaseout amount after   | \$214,730           | \$222,180 | \$222,520             |
| <b>Alternative Minimum Tax (AMT)</b>  |                     |           |                       |
| *Maximum AMT exemption amount   |                     |           |                       |
| Married filing jointly or surviving spouse  | \$69,950            | \$70,950  | \$45,000 <sup>1</sup> |
| Single or head of household   | \$46,200            | \$46,700  | \$33,750 <sup>1</sup> |
| Married filing separately   | \$34,975            | \$35,475  | \$22,500 <sup>1</sup> |
| *AMT income exemption phaseout threshold  |                     |           |                       |
| Married filing jointly or surviving spouse  | \$150,000           | \$150,000 | \$150,000             |
| Single or head of household   | \$112,500           | \$112,500 | \$112,500             |
| Married filing separately   | \$75,000            | \$75,000  | \$75,000              |
| <b>Charitable deductions:</b>   |                     |           |                       |
| *Use of auto for charitable purposes (deductible standard mileage rate)   | \$0.14 <sup>2</sup> | \$0.14    | \$0.14                |
| <b>Charitable fundraising contributions "insubstantial benefit" limitations:</b>  |                     |           |                       |
| *Low-cost article (re: unrelated business income)   | \$9.10              | \$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   | \$9.10              | \$9.50    | \$9.60                |
| Minimum contribution amount   | \$45.50             | \$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  | \$91                | \$95      | \$96                  |
| <b>Child tax credit</b>   |                     |           |                       |
| *Maximum credit per qualifying child  | \$1,000             | \$1,000   | \$1,000               |
| *Phaseout-- credit reduced by \$50 for each \$1,000 or fraction thereof of MAGI over:   |                     |           |                       |
| Single  | \$75,000            | \$75,000  | \$75,000              |
| Married Filing Jointly  | \$110,000           | \$110,000 | \$110,000             |
| Married Filing Separately   | \$55,000            | \$55,000  | \$55,000              |
| *Refundability -- up to specified percentage of earned income in excess of specified amount   |                     |           |                       |
| Percentage  | 15%                 | 15%       | 15%                   |
| Amount  | \$8,500             | \$3,000   | \$3,000               |
| <b>Classroom expenses of elementary and secondary school teachers (maximum above-the-line deduction)</b>  | \$250               | \$250     | N/A <sup>1</sup>      |

| <b>Individual Income Tax Planning</b>   | <b>2008</b> | <b>2009</b> | <b>2010</b> |
|---|-------------|-------------|-------------|
| <b>Earned income tax credit (EITC):</b>   |             |             |             |
| *Excessive investment income limit ("disqualified income limit")  | \$2,950     | \$3,100     | \$3,100     |
| <b>*Maximum amount of EITC per number of children</b>   |             |             |             |
| 0 children  | \$438       | \$457       | \$457       |
| 1 child   | \$2,917     | \$3,043     | \$3,050     |
| 2 children  | \$4,824     | \$5,028     | \$5,036     |
| 3 or more children  | \$4,824     | \$5,657     | \$5,666     |
| <b>*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)</b>                     |             |             |             |
| 0 children  | \$5,720     | \$5,970     | \$5,980     |
| 1 child   | \$8,580     | \$8,950     | \$8,970     |
| 2 or more children  | \$12,060    | \$12,570    | \$12,590    |
| <b>*Threshold phaseout amount for joint filers per number of children</b>   |             |             |             |
| 0 children  | \$10,160    | \$12,470    | \$12,490    |
| 1 child   | \$18,740    | \$21,420    | \$21,460    |
| 2 children  | \$18,740    | \$21,420    | \$21,460    |
| 3 or more children  | \$18,740    | \$21,420    | \$21,460    |
| <b>*Threshold phaseout amount for other filers per number of children</b>   |             |             |             |
| 0 children  | \$7,160     | \$7,470     | \$7,480     |
| 1 child   | \$15,740    | \$16,420    | \$16,450    |
| 2 children  | \$15,740    | \$16,420    | \$16,450    |
| 3 or more children  | \$15,740    | \$16,420    | \$16,450    |
| <b>*Completed phaseout amount for joint filers per number of children</b>   |             |             |             |
| 0 children  | \$15,880    | \$18,440    | \$18,470    |
| 1 child   | \$36,995    | \$40,463    | \$40,545    |
| 2 children  | \$41,646    | \$45,295    | \$45,373    |
| 3 or more children  | \$41,646    | \$48,279    | \$48,362    |
| <b>*Completed phaseout amount for other filers per number of children</b>   |             |             |             |
| 0 children  | \$12,880    | \$13,440    | \$13,460    |
| 1 child   | \$33,995    | \$35,463    | \$35,535    |
| 2 children  | \$38,646    | \$40,295    | \$40,363    |
| 3 or more children  | \$38,646    | \$43,279    | \$43,352    |
| <b>Expatriation</b>   |             |             |             |
| *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). | \$139,000   | \$145,000   | \$145,000   |
| *IRC §877A(3) exclusion amount  | \$600,000   | \$626,000   | \$627,000   |
| <b>Foreign earned income exclusion:</b>   |             |             |             |
|   | \$87,600    | \$91,400    | \$91,500    |
| <b>Itemized Deductions<sup>3</sup></b>  |             |             |             |
| *Itemized deductions threshold phaseout amount for MFS:   | \$79,975    | \$83,400    | N/A         |
| *Itemized deductions threshold phaseout amount for all others:  | \$159,950   | \$166,800   | N/A         |

| <b>Individual Income Tax Planning</b>  | <b>2008</b>   | <b>2009</b>   | <b>2010</b>  |
|--|---|---|--|
| <b>Kiddie tax:</b>   |   |   |  |
| *Unearned income limit   |   |   |  |
| Amount exempt from tax   | \$900   | \$950   | \$950  |
| Additional amount taxed at child's rate  | \$900   | \$950   | \$950  |
| Unearned income over this amount taxed at parent's rate                                    | \$1,800   | \$1,900   | \$1,900  |
| *Election to include child's income on parent's return -- child's gross income requirement | \$900 - \$9,000                                       | \$950 - \$9,500                                       | \$950 - \$9,500  |
| *AMT exemption for child subject to kiddie tax:  | Lesser of \$6,400 + child's earned income or \$46,200 | Lesser of \$6,700 + child's earned income or \$46,700 | Lesser of \$6,700 + child's earned income or \$33,750 <sup>1</sup> |
|  |   |   |  |
| <b>Making Work Pay tax credit</b>  |   |   |  |
| *Maximum credit  |   |   |  |
| Filing status other than married filing joint  | N/A   | \$400   | \$400  |
| Married filing joint   | N/A   | \$800   | \$800  |
| *Income phaseout: Other than married filing jointly  |   |   |  |
| Phaseout threshold amount  | N/A   | \$75,000  | \$75,000   |
| Completed phaseout amount after  | N/A   | \$95,000  | \$95,000   |
| *Income phaseout: Married filing joint   |   |   |  |
| Phaseout threshold amount  | N/A   | \$150,000   | \$150,000  |
| Completed phaseout amount after  | N/A   | \$190,000   | \$190,000  |
|  |   |   |  |
| <b>Nanny tax (domestic employee coverage threshold)</b>                                    | \$1,600   | \$1,700   | \$1,700  |
|  |   |   |  |
| <b>Personal exemption amount:<sup>4</sup></b>  | \$3,500   | \$3,650   | \$3,650  |
| *Personal exemption amount for taxpayers with AGI exceeding maximum phaseout threshold     | \$2,333   | \$2,433   | N/A  |
| *Married filing jointly  |   |   |  |
| Phaseout threshold amount  | \$239,950   | \$250,200   | N/A  |
| Completed phaseout amount after  | \$362,450   | \$372,700   | N/A  |
| *Head of household   |   |   |  |
| Phaseout threshold amount  | \$199,950   | \$208,500   | N/A  |
| Completed phaseout amount after  | \$322,450   | \$331,000   | N/A  |
| *Single  |   |   |  |
| Phaseout threshold amount  | \$159,950   | \$166,800   | N/A  |
| Completed phaseout amount after  | \$282,450   | \$289,300   | N/A  |
| *Married filing separately   |   |   |  |
| Phaseout threshold amount  | \$119,975   | \$125,100   | N/A  |
| Completed phaseout amount after  | \$181,225   | \$186,350   | N/A  |
|  |   |   |  |
| <b>"Saver's Credit" (Elective Deferrals and IRA Contributions by Certain Individuals)</b>  |   |   |  |
| *Maximum credit amount   | \$1,000   | \$1,000   | \$1,000  |
| *Applicable percentage of 50% applies to AGI   |   |   |  |
| Joint Return   | \$0 - \$32,000  | \$0 - \$33,000  | \$0 - \$33,500   |
| Head of Household  | \$0 - \$24,000  | \$0 - \$24,750  | \$0 - \$25,125   |
| Other  | \$0 - \$16,000  | \$0 - \$16,500  | \$0 - \$16,750   |
| *Applicable percentage of 20% applies to AGI   |   |   |  |
| Joint Return   | \$32,000 - \$34,500                                   | \$33,000 - \$36,000                                   | \$33,500 - \$36,000  |
| Head of Household  | \$24,000 - \$25,875                                   | \$24,750 - \$27,000                                   | \$25,125 - \$27,000  |
| Other  | \$16,000 - \$17,250                                   | \$16,500 - \$18,000                                   | \$16,750 - \$18,000  |
| *Applicable percentage of 10% applies to AGI   |   |   |  |
| Joint Return   | \$34,500 - \$53,000                                   | \$36,000 - \$55,500                                   | \$36,000 - \$55,500  |
| Head of Household  | \$25,875 - \$39,750                                   | \$27,000 - \$41,625                                   | \$27,000 - \$41,625  |
| Other  | \$17,250 - \$26,500                                   | \$18,000 - \$27,750                                   | \$18,000 - \$27,750  |
| *Applicable percentage of 0% applies to AGI  |   |   |  |
| Joint Return   | Over \$53,000   | Over \$55,500   | Over \$55,500  |
| Head of Household  | Over \$39,750   | Over \$41,625   | Over \$41,625  |
| Other  | Over \$26,500   | Over \$27,750   | Over \$27,750  |
|  |   |   |  |

| Individual Income Tax Planning   | 2008  | 2009  | 2010  |
|--|---|---|---|
| <b>Standard deductions:<sup>5</sup></b>  |   |   |   |
| *Married filing jointly or surviving spouse  | \$10,900  | \$11,400                                      | \$11,400                                      |
| *Head of household   | \$8,000   | \$8,350                                       | \$8,400                                       |
| *Single  | \$5,450   | \$5,700                                       | \$5,700                                       |
| *Married filing separately   | \$5,450   | \$5,700                                       | \$5,700                                       |
| *Dependent   | Greater of \$900, or<br>\$300 + earned income                 | Greater of \$950, or<br>\$300 + earned income | Greater of \$950, or<br>\$300 + earned income |
| *Additional deduction for aged or blind (single or head of household)  | \$1,350   | \$1,400                                       | \$1,400                                       |
| *Additional deduction for aged or blind (all other filing statuses)  | \$1,050   | \$1,100                                       | \$1,100                                       |
| *Additional standard deduction for state and local real property taxes (maximum additional deduction) <sup>6</sup> |   |   |   |
| Married filing jointly   | \$1,000   | \$1,000                                       | N/A   |
| All other filing statuses  | \$500   | \$500   | N/A   |
| <b>Standard mileage rates:</b>   |   |   |   |
| *Use of auto for business purposes (cents per mile)  | \$0.505 for first half of<br>2008; \$0.585 for second<br>half | \$0.55  | \$0.50  |
| *Use of auto for medical purposes (cents per mile)   | \$0.190 for first half of<br>2008; \$0.270 for second<br>half | \$0.24  | \$0.165                                       |
| *Use of auto for moving purposes (cents per mile)  | \$0.190 for first half of<br>2008; \$0.270 for second<br>half | \$0.24  | \$0.165                                       |

<sup>1</sup> Assumes no additional Congressional action.

<sup>2</sup> As a result of the Emergency Economic Stabilization Act of 2008, for charitable use of a motor vehicle in providing relief to the midwestern disaster area, the standard mileage rate was increased to \$.36 per mile for periods before July 1, 2008, and \$.41 per mile from July 1, 2008 to December 31, 2008.

<sup>3</sup> The phaseout of itemized deductions for individuals with higher AGIs is itself phased out. In 2008 and 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.

<sup>4</sup> The phaseout of exemptions for individuals with higher AGIs is itself phased out. In 2008 and 2009, only 1/3 of the calculated reduction was used to reduce allowable exemptions. In 2010, the phaseout does not apply.

<sup>5</sup> 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.

<sup>6</sup> 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   |

## 2008 Marginal Income Tax Rates

### Unmarried taxpayers

| If taxable income is:       | Your tax is:                                    |
|-----------------------------|---|
| Not over \$8,025            | 10% of taxable income                           |
| Over \$8,025 to \$32,550    | \$802.50 + 15% of the excess over \$8,025       |
| Over \$32,550 to \$78,850   | \$4,481.25 + 25% of the excess over \$32,550    |
| Over \$78,850 to \$164,550  | \$16,056.25 + 28% of the excess over \$78,850   |
| Over \$164,550 to \$357,700 | \$40,052.25 + 33% of the excess over \$164,550  |
| Over \$357,700              | \$103,791.75 + 35% of the excess over \$357,700 |

### Married filing jointly and surviving spouses

| If taxable income is:       | Your tax is:                                 |
|-----------------------------|--|
| Not over \$16,050           | 10% of taxable income                        |
| Over \$16,050 to \$65,100   | \$1,605 + 15% of the excess over \$16,050    |
| Over \$65,100 to \$131,450  | \$8,962.50 + 25% of the excess over \$65,100 |
| Over \$131,450 to \$200,300 | \$25,550 + 28% of the excess over \$131,450  |
| Over \$200,300 to \$357,700 | \$44,828 + 33% of the excess over \$200,300  |
| Over \$357,700              | \$96,770 + 35% of the excess over \$357,700  |

### Married individuals filing separately

| If taxable income is:       | Your tax is:                                 |
|-----------------------------|--|
| Not over \$8,025            | 10% of taxable income                        |
| Over \$8,025 to \$32,550    | \$802.50 + 15% of the excess over \$8,025    |
| Over \$32,550 to \$65,725   | \$4,481.25 + 25% of the excess over \$32,550 |
| Over \$65,725 to \$100,150  | \$12,775 + 28% of the excess over \$65,725   |
| Over \$100,150 to \$178,850 | \$22,414 + 33% of the excess over \$100,150  |
| Over \$178,850              | \$48,385 + 35% of the excess over \$178,850  |

### Heads of household

| If taxable income is:       | Your tax is:                                 |
|-----------------------------|--|
| Not over \$11,450           | 10% of taxable income                        |
| Over \$11,450 to \$43,650   | \$1,145 + 15% of the excess over \$11,450    |
| Over \$43,650 to \$112,650  | \$5,975 + 25% of the excess over \$43,650    |
| Over \$112,650 to \$182,400 | \$23,225 + 28% of the excess over \$112,650  |
| Over \$182,400 to \$357,700 | \$42,775 + 33% of the excess over \$182,400  |
| Over \$357,700              | \$100,604 + 35% of the excess over \$357,700 |

### Trusts and estates

| If taxable income is:    | Your tax is:                                |
|--------------------------|---|
| Not over \$2,200         | 15% of taxable income                       |
| Over \$2,200 to \$5,150  | \$330 + 25% of the excess over \$2,200      |
| Over \$5,150 to \$7,850  | \$1,067.50 + 28% of the excess over \$5,150 |
| Over \$7,850 to \$10,700 | \$1,823.50 + 33% of the excess over \$7,850 |
| Over \$10,700            | \$2,764 + 35% of the excess over \$10,700   |

| <b>Investment Planning</b>  | <b>2008</b> | <b>2009</b> | <b>2010</b> |
|---|-------------|-------------|-------------|
| <b>Tax on long-term capital gains</b>   |             |             |             |
| Taxpayers in marginal tax brackets greater than 15%   | 15%         | 15%         | 15%         |
| Taxpayers in marginal tax brackets 15% or less  | 0%          | 0%          | 0%          |
| <b>Tax on dividends</b>   |             |             |             |
| *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%         | 15%         |
| Taxpayers in marginal tax brackets 15% or less  | 0%          | 0%          | 0%          |
| (Prior to 2003 Tax Act dividends were taxed as ordinary income)   |             |             |             |



| <b>Education Planning</b>   | <b>2008</b> | <b>2009</b> | <b>2010</b> |
|---|-------------|-------------|-------------|
| <b>Coverdell education savings accounts (formerly known as education IRAs):</b> |             |             |             |
| *Annual contribution limit  | \$2,000     | \$2,000     | \$2,000     |
| <b>*MAGI phaseout range for Coverdell education savings accounts</b>            |             |             |             |
| Single--phaseout threshold amount   | \$95,000    | \$95,000    | \$95,000    |
| Single--completed phaseout amount after   | \$110,000   | \$110,000   | \$110,000   |
| Married filing jointly--phaseout threshold amount                               | \$190,000   | \$190,000   | \$190,000   |
| Married filing jointly--completed phaseout threshold amount                     | \$220,000   | \$220,000   | \$220,000   |
| <b>Deduction for qualified higher education expenses</b>                        |             |             |             |
| *Maximum deduction  | \$4,000     | \$4,000     | N/A         |
| <b>*MAGI maximum for full \$4,000 deduction</b>                                 |             |             |             |
| Single  | \$65,000    | \$65,000    | N/A         |
| Married filing jointly  | \$130,000   | \$130,000   | N/A         |
| <b>*Reduced deduction available</b>   |             |             |             |
| *MAGI range for \$2,000 deduction   | \$2,000     | \$2,000     | N/A         |
| Single--MAGI greater than this amount:  | \$65,000    | \$65,000    | N/A         |
| Single--MAGI does not exceed this amount:                                       | \$80,000    | \$80,000    | N/A         |
| Married filing jointly--MAGI greater than this amount:                          | \$130,000   | \$130,000   | N/A         |
| Married filing jointly--MAGI does not exceed this amount:                       | \$160,000   | \$160,000   | N/A         |
| <b>Education loans--interest deduction</b>                                      |             |             |             |
| *Maximum deduction for interest paid on qualified education loans               | \$2,500     | \$2,500     | \$2,500     |
| <b>*MAGI phaseout range</b>   |             |             |             |
| Single--phaseout threshold amount   | \$55,000    | \$60,000    | \$60,000    |
| Single--completed phaseout amount after   | \$70,000    | \$75,000    | \$75,000    |
| Married filing jointly--phaseout threshold amount                               | \$115,000   | \$120,000   | \$120,000   |
| Married filing jointly--completed phaseout threshold amount                     | \$145,000   | \$150,000   | \$150,000   |
| <b>Gift tax exclusion</b>   |             |             |             |
| Annual gift tax exclusion-- <i>single individual</i>                            | \$12,000    | \$13,000    | \$13,000    |
| Annual gift tax exclusion-- <i>joint gift</i>                                   | \$24,000    | \$26,000    | \$26,000    |
| Lump-sum gift to 529 plan-- <i>single individual</i>                            | \$60,000    | \$65,000    | \$65,000    |
| Lump-sum gift to 529 plan-- <i>joint gift</i>                                   | \$120,000   | \$130,000   | \$130,000   |
| <b>Hope<sup>1</sup> and Lifetime Learning credits</b>                           |             |             |             |
| *Maximum Lifetime Learning credit   | \$2,000     | \$2,000     | \$2,000     |
| Maximum Lifetime Learning--Midwestern disaster area                             | \$4,000     | \$4,000     | N/A         |
| *Maximum Hope credit  | \$1,800     | \$2,500     | \$2,500     |
| Maximum Hope credit--Midwestern disaster area                                   | \$3,600     | \$3,600     | N/A         |
| <b>*MAGI phaseout range for Lifetime Learning Credit</b>                        |             |             |             |
| Single--phaseout threshold amount   | \$48,000    | \$50,000    | \$50,000    |
| Single--completed phaseout amount after   | \$58,000    | \$60,000    | \$60,000    |
| Married filing jointly--phaseout threshold amount                               | \$96,000    | \$100,000   | \$100,000   |
| Married filing jointly--completed phaseout threshold amount                     | \$116,000   | \$120,000   | \$120,000   |
| <b>*MAGI phaseout range for Hope credit</b>                                     |             |             |             |
| Single--phaseout threshold amount   | \$48,000    | \$80,000    | \$80,000    |
| Single--completed phaseout amount after   | \$58,000    | \$90,000    | \$90,000    |
| Married filing jointly--phaseout threshold amount                               | \$96,000    | \$160,000   | \$160,000   |
| Married filing jointly--completed phaseout threshold amount                     | \$116,000   | \$180,000   | \$180,000   |

| <b>Education Planning</b>  | <b>2008</b> | <b>2009</b> | <b>2010</b> |
|--|-------------|-------------|-------------|
| <b>Kiddie tax</b>  |             |             |             |
| Children <sup>2</sup> pay federal income tax at their parents' rate on any investment income over... | \$1,800     | \$1,900     | \$1,900     |
|  |             |             |             |
| <b>U.S. savings bonds--interest exclusion for higher education expenses:</b>                         |             |             |             |
| *Joint returns   |             |             |             |
| Phaseout threshold for joint returns   | \$100,650   | \$104,900   | \$105,100   |
| Completed phaseout amount after  | \$130,650   | \$134,900   | \$135,100   |
| *Other returns   |             |             |             |
| Phaseout threshold for other returns   | \$67,100    | \$69,950    | \$70,100    |
| Completed phaseout amount after  | \$82,100    | \$84,950    | \$85,100    |

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

<sup>2</sup> 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.

| <b>Retirement Planning</b>   | <b>2008</b>   | <b>2009</b>   | <b>2010</b>   |
|--|---|---|---|
| <b>Employee/individual contribution limits</b>   |   |   |   |
| <b>Elective deferral limits</b>  |   |   |   |
| * 401(k) plans, 403(b) plans, 457(b) plans, and SAR-SEPs <sup>1</sup><br>(Includes Roth 401(k) and Roth 403(b) contributions)  | Lesser of \$15,500 or 100% of participant's compensation  | 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 <sup>1</sup>  | Lesser of \$10,500 or 100% of participant's compensation  | Lesser of \$11,500 or 100% of participant's compensation  | Lesser of \$11,500 or 100% of participant's compensation  |
| <b>IRA contribution limits</b>   |   |   |   |
| * Traditional IRAs   | Lesser of \$5,000 or 100% of earned income  | 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  | Lesser of \$5,000 or 100% of earned income  |
| <b>Additional "catch-up" limits (individuals age 50 or older)</b>  |   |   |   |
| * 401(k) plans, 403(b) plans, 457(b) plans, and SAR-SEPs <sup>2</sup>  | \$5,000   | \$5,500   | \$5,500   |
| * SIMPLE 401(k) plans and SIMPLE IRA plans   | \$2,500   | \$2,500   | \$2,500   |
| * IRAs (traditional and Roth)  | \$1,000   | \$1,000   | \$1,000   |
| <b>Employer contribution/benefit limits<sup>3</sup></b>  |   |   |   |
| <b>Defined benefit plan limits</b>   |   |   |   |
| * 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.   | No predetermined limit. Contributions based on amount needed to fund promised benefits.   |
| * Annual benefit limit per participant   | Lesser of \$185,000 or 100% of average compensation for highest three consecutive years   | Lesser of \$195,000 or 100% of average compensation for highest three consecutive years   | Lesser of \$195,000 or 100% of average compensation for highest three consecutive years   |
| <b>Defined contribution plan limits (qualified plans, 403(b) plans, SEP, and SIMPLE plans)</b>   |   |   |   |
| * 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 \$46,000 or 100% (25% for SEP) of participant's compensation  | 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 | 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 |

| <b>Retirement Planning</b>   | <b>2008</b>  | <b>2009</b>  | <b>2010</b>  |
|--|--|--|--|
| <b>Compensation limits/thresholds</b>  |  |  |  |
| <b>Retirement plan compensation limits</b>   |  |  |  |
| * Maximum compensation per participant that can be used to calculate tax-deductible employer contribution (qualified plans and SEPs)                   | \$230,000  | \$245,000  | \$245,000  |
| * Compensation threshold used to determine a highly-compensated employee   | \$105,000 (when 2008 is the look-back year)  | \$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<br>\$150,000 for officers<br>\$150,000 for more-than-1% owners | \$1 for more-than-5% owners<br>\$160,000 for officers<br>\$150,000 for more-than-1% owners | \$1 for more-than-5% owners<br>\$160,000 for officers<br>\$150,000 for more-than-1% owners |
| * Compensation threshold used to determine a qualifying employee under a SIMPLE plan   | \$5,000  | \$5,000  | \$5,000  |
| * Compensation threshold used to determine a qualifying employee under a SEP plan  | \$500  | \$550  | \$550  |
| <b>Traditional deductible IRA compensation limits</b>  |  |  |  |
| * Income phase-out range for determining deductibility of traditional IRA contributions for taxpayers:   |  |  |  |
| 1. Covered by an employer-sponsored plan and filing as:  |  |  |  |
| Single   | \$53,000 - \$63,000  | \$55,000 - \$65,000  | \$56,000 - \$66,000  |
| Married filing jointly   | \$85,000 - \$105,000   | \$89,000 - \$109,000   | \$89,000 - \$109,000   |
| Married filing separately  | \$0-\$10,000   | \$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 | \$159,000-\$169,000  | \$166,000-\$176,000  | \$167,000-\$177,000  |
| <b>Roth IRA compensation limits</b>  |  |  |  |
| * Income phase-out range for determining ability to fund Roth IRA for taxpayers filing as:   |  |  |  |
| Single   | \$101,000-\$116,000  | \$105,000-\$120,000  | \$105,000-\$120,000  |
| Married filing jointly   | \$159,000-\$169,000  | \$166,000-\$176,000  | \$167,000-\$177,000  |
| Married filing separately  | \$0 - \$10,000   | \$0 - \$10,000   | \$0 - \$10,000   |
| * Annual income limit for determining ability to convert traditional IRA to Roth IRA   | \$100,000  | \$100,000  | N/A  |

<sup>1</sup> 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).

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

<sup>3</sup> Note: 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.



| <b>Government Benefits</b>   | <b>2008</b>          | <b>2009</b>          | <b>2010</b>          |
|--|----------------------|----------------------|----------------------|
| <b>Social Security</b>   |                      |                      |                      |
| <b>Social Security Cost-of-living adjustment (COLA)</b>  |                      |                      |                      |
| * For Social Security and Supplemental Security Income (SSI) beneficiaries   | 2.30%                | 5.80%                | 0.00%                |
| <b>Tax rate</b>  |                      |                      |                      |
| * FICA tax -- Employee   | 7.65%                | 7.65%                | 7.65%                |
| Social Security (OASDI) portion of tax   | 6.20%                | 6.20%                | 6.20%                |
| Medicare (HI) portion of tax   | 1.45%                | 1.45%                | 1.45%                |
| * Self-Employed  | 15.30%               | 15.30%               | 15.30%               |
| Social Security (OASDI) portion of tax   | 12.40%               | 12.40%               | 12.40%               |
| Medicare (HI) portion of tax   | 2.90%                | 2.90%                | 2.90%                |
| <b>Maximum taxable earnings</b>  |                      |                      |                      |
| * Social Security (OASDI only)   | \$102,000            | \$106,800            | \$106,800            |
| * Medicare (HI only)   | No limit             | No limit             | No limit             |
| <b>Quarter of coverage</b>   |                      |                      |                      |
| * Earnings required  | \$1,050              | \$1,090              | \$1,120              |
| <b>Retirement earnings test--exempt amounts</b>  |                      |                      |                      |
| * Under full retirement age  |                      |                      |                      |
| Benefits reduced by \$1 for each \$2 earned above:   |                      |                      |                      |
| Yearly figure  | \$13,560             | \$14,160             | \$14,160             |
| Monthly figure   | \$1,130              | \$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  | \$36,120             | \$37,680             | \$37,680             |
| Monthly figure   | \$3,010              | \$3,140              | \$3,140              |
| * Beginning the month individual attains full retirement age   | No limit on earnings | No limit on earnings | No limit on earnings |
| <b>Social Security disability thresholds</b>   |                      |                      |                      |
| * Substantial gainful activity (SGA): for the sighted (monthly figure)   | \$940                | \$980                | \$1,000              |
| * Substantial gainful activity: for the blind (monthly figure)   | \$1,570              | \$1,640              | \$1,640              |
| * Trial work period (TWP) (monthly figure)   | \$670                | \$700                | \$720                |
| <b>SSI federal payment standard</b>  |                      |                      |                      |
| * Individual (monthly figure)  | \$637                | \$674                | \$674                |
| * Couple (monthly figure)  | \$956                | \$1,011              | \$1,011              |
| <b>SSI resource limits</b>   |                      |                      |                      |
| * Individual   | \$2,000              | \$2,000              | \$2,000              |
| * Couple   | \$3,000              | \$3,000              | \$3,000              |
| <b>SSI student exclusion limits</b>  |                      |                      |                      |
| * Monthly limit  | \$1,550              | \$1,640              | \$1,640              |
| * Annual limit   | \$6,240              | \$6,600              | \$6,600              |
| <b>Maximum Social Security benefit</b>   |                      |                      |                      |
| * Worker retiring at full retirement age (monthly figure)  | \$2,185              | \$2,323              | \$2,346              |
| <b>Formula for Monthly Primary Insurance Amount (PIA)</b> (90% of first X of AIME + 32% of the AIME over X and through Y + 15% of AIME over Y) | X=\$711<br>Y=\$4,288 | X=\$744<br>Y=\$4,483 | X=\$761<br>Y=\$4,586 |

| <b>Government Benefits</b>  | <b>2008</b> | <b>2009</b> | <b>2010</b>                      |
|---|-------------|-------------|----------------------------------|
| <b>Medicare</b>   |             |             |                                  |
| <b>Medicare monthly premium amounts</b>   |             |             |                                  |
| * Part A (hospital insurance) monthly premium   |             |             |                                  |
| Individuals with 40 or more quarters of Medicare-covered employment   | \$0         | \$0         | \$0                              |
| Individuals with 30 to 39 quarters of Medicare-covered employment who are not otherwise eligible for premium-free hospital insurance                                | \$233       | \$244       | \$254                            |
| Individuals with less than 30 quarters of Medicare-covered employment who are not otherwise eligible for premium-free hospital insurance                            | \$423       | \$443       | \$461                            |
| * Part B (medical insurance) monthly premium  |             |             |                                  |
| For beneficiaries who file an individual income tax return with income that is:   |             |             |                                  |
| <b>2009</b> <b>2010</b>   |             |             |                                  |
| Less than or equal to \$85,000      Less than or equal to \$85,000  | \$96.40     | \$96.40     | \$96.40 or \$110.50 <sup>1</sup> |
| \$85,000.01 - \$107,000      \$85,000.01 - \$107,000  | \$122.20    | \$134.90    | \$154.70                         |
| \$107,000.01 - \$160,000      \$107,000.01 - \$160,000  | \$160.90    | \$192.70    | \$221.00                         |
| \$160,000.01 - \$213,000      \$160,000.01 - \$214,000  | \$199.70    | \$250.50    | \$287.30                         |
| Greater than \$213,000      Greater than \$214,000  | \$238.40    | \$308.30    | \$353.60                         |
| For beneficiaries who file a joint income tax return with income that is:   |             |             |                                  |
| <b>2009</b> <b>2010</b>   |             |             |                                  |
| Less than or equal to \$170,000      Less than or equal to \$170,000  | \$96.40     | \$96.40     | \$96.40 or \$110.50 <sup>1</sup> |
| \$170,000.01 - \$214,000      \$170,000.01 - \$214,000  | \$122.20    | \$134.90    | \$154.70                         |
| \$214,000.01 - \$320,000      \$214,000.01 - \$320,000  | \$160.90    | \$192.70    | \$221.00                         |
| \$320,000.01 - \$426,000      \$320,000.01 - \$428,000  | \$199.70    | \$250.50    | \$287.30                         |
| Greater than \$426,000      Greater than 428,000  | \$238.40    | \$308.30    | \$353.60                         |
| 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: |             |             |                                  |
| <b>2009</b> <b>2010</b>   |             |             |                                  |
| Less than or equal to \$85,000      Less than or equal to \$85,000  | \$96.40     | \$96.40     | \$96.40 or \$110.50 <sup>1</sup> |
| \$85,000.01 - \$128,000      \$85,000.01 - \$129,000  | \$199.70    | \$250.50    | \$287.30                         |
| Greater than \$128,000      Greater than \$129,000  | \$238.40    | \$308.30    | \$353.60                         |
| <b>Original Medicare plan deductible and coinsurance amounts</b>  |             |             |                                  |
| * Part A (hospital insurance)   |             |             |                                  |
| Deductible per benefit period   | \$1,024     | \$1,068     | \$1,100                          |
| Coinsurance per day for 61st to 90th day of each benefit period   | \$256       | \$267       | \$275                            |
| Coinsurance per day for 91st to 150th day for each lifetime reserve day (total of 60 lifetime reserve days--nonrenewable)   | \$512       | \$534       | \$550                            |
| * Skilled nursing facility coinsurance per day for 21st to 100th day of each benefit period   | \$128.00    | \$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       | \$135       | \$155                            |
| <b>Medicaid</b>   |             |             |                                  |
| <b>Monthly income threshold for income-cap states ("300 percent cap limit")</b>   | \$1,911     | \$2,022     | \$2,022                          |
| <b>Monthly maintenance needs allowance for at-home spouse</b>   |             |             |                                  |
| * Minimum <sup>2</sup>  | \$1,711.00  | \$1,750.00  | \$1,822.00                       |
| * Maximum   | \$2,610.00  | \$2,739.00  | \$2,739.00                       |
| <b>Spousal resource allowance</b>   |             |             |                                  |
| * Minimum   | \$20,880    | \$21,912    | \$21,912                         |
| * Maximum   | \$104,400   | \$109,560   | \$109,560                        |

<sup>1</sup> 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.

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

| <b>Business Planning</b>  | <b>2008</b>  | <b>2009</b>        | <b>2010</b> |
|---|--|--------------------|-------------|
| <b>Adoption Assistance Programs</b>   |  |                    |             |
| *Maximum amount that can be excluded from employee's gross income   | \$11,650   | \$12,150           | \$12,170    |
| Phaseout threshold amount   | \$174,730  | \$182,180          | \$182,520   |
| Completed phaseout amount after   | \$214,730  | \$222,180          | \$222,520   |
| <b>Earnings subject to FICA taxes (taxable wage base):</b>  |  |                    |             |
| *Maximum annual earnings subject to Social Security taxes   | \$102,000  | \$106,800          | \$106,800   |
| *Social Security and Medicare combined tax rate   | 15.30%   | 15.30%             | 15.30%      |
| OASDI portion (Social Security)   | 12.40%   | 12.40%             | 12.40%      |
| Hospital Insurance portion (Medicare)   | 2.90%  | 2.90%              | 2.90%       |
| <b>Health insurance deduction for self-employed:</b>  |  |                    |             |
| *Deduction for health insurance premiums paid by self-employed persons  | 100%   | 100%               | 100%        |
| <b>Qualified transportation fringe benefits:</b>  |  |                    |             |
| *Commuter vehicles and transit pass monthly exclusion amount  | \$115  | \$230 <sup>1</sup> | \$230       |
| *Qualified parking monthly exclusion amount   | \$220  | \$230              | \$230       |
| *Qualified bicycle commuting reimbursement fringe benefit (monthly amount)  | N/A  | \$20               | \$20        |
| <b>Section 179 expensing</b>  |  |                    |             |
| *Maximum amount that may be deducted under section 179  | \$250,000  | \$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  | \$800,000          | \$530,000   |
| <b>Special additional first-year depreciation allowance</b>   |  |                    |             |
| **"Bonus" depreciation for qualified property acquired and placed in service during specified time periods                        | 50%  | 50%                | 0           |
| <b>Standard mileage rate (per mile):</b>  |  |                    |             |
| *Use of auto for business purposes  | \$0.505 for first half of 2008;<br>\$0.585 for second half | \$0.55             | \$0.50      |
| <b>Tax on accumulated earnings and personal holding company income</b>  |  |                    |             |
| *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%                | 15%         |

<sup>1</sup> The monthly exclusion amount for January and February of 2009 was \$120.

| <b>Estate Planning</b>   | <b>2008</b> | <b>2009</b>      | <b>2010</b>      |
|--|-------------|------------------|------------------|
| <b>Annual gift exclusion:</b>  | \$12,000    | \$13,000         | \$13,000         |
| <b>Estate tax applicable exclusion amount:</b>   | \$2,000,000 | \$3,500,000      | N/A <sup>2</sup> |
| <b>Gift tax applicable exclusion amount:</b>   | \$1,000,000 | \$1,000,000      | \$1,000,000      |
| <b>Noncitizen spouse annual gift exclusion:</b>  | \$128,000   | \$133,000        | \$134,000        |
| <b>GSTT exemption:</b>   | \$2,000,000 | \$3,500,000      | N/A <sup>2</sup> |
| <b>Special use valuation limit (qualified real property in decedent's gross estate):</b> | \$960,000   | \$1,000,000      | \$1,000,000      |
| <b>Qualified conservation easement exclusion:</b>  |             |                  |                  |
| *Dollar cap amount (exclusion of up to 40% of land value)                                | \$500,000   | \$500,000        | N/A <sup>2</sup> |
| <b>Qualified funeral trusts:</b>   |             |                  |                  |
| *Maximum contribution to a qualified funeral trust (aggregate contribution limit)        | \$9,000     | N/A <sup>1</sup> | N/A <sup>1</sup> |

| <b>2007 and 2008 Estate Tax Rate Schedule</b>          | <b>Tentative Tax Equals</b>              |             |                       |
|--|--|-------------|-----------------------|
| <b>Taxable Estate</b>                                  | <b>Base Tax</b>                          | <b>Plus</b> | <b>Of Amount Over</b> |
| 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           |
| <b>2007 and 2008 credit shelter amount \$2,000,000</b> | <b>2007/2008 credit amount \$780,800</b> |             |                       |

<sup>1</sup> Dollar limit repealed for tax years beginning after August 29, 2008

<sup>2</sup> Assumes no additional action by Congress



| <b>2009 Estate Tax Rate Schedule</b>          | <b>Tentative Tax Equals</b>           |             |                       |
|---|---------------------------------------|-------------|-----------------------|
| <b>Taxable Estate</b>                         | <b>Base Tax</b>                       | <b>Plus</b> | <b>Of Amount Over</b> |
| 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           |
| <b>2009 credit shelter amount \$3,500,000</b> | <b>2009 credit amount \$1,455,800</b> |             |                       |

| <b>Protection Planning</b>  | <b>2008</b> | <b>2009</b> | <b>2010</b> |
|---|-------------|-------------|-------------|
| <b>Eligible long-term care premium deduction limits:</b>  |             |             |             |
| *Age 40 or under  | \$310       | \$320       | \$330       |
| *Age 41-50  | \$580       | \$600       | \$620       |
| *Age 51-60  | \$1,150     | \$1,190     | \$1,230     |
| *Age 61-70  | \$3,080     | \$3,180     | \$3,290     |
| *Over age 70  | \$3,850     | \$3,980     | \$4,110     |
| <b>Per diem limit: periodic payments for qualified long-term care insurance/certain life insurance:</b> | \$270       | \$280       | \$290       |
| <b>Archer Medical Savings Accounts</b>  |             |             |             |
| *High deductible health plan--self-only coverage  |             |             |             |
| Annual deductible--minimum  | \$1,950     | \$2,000     | \$2,000     |
| Annual deductible--maximum  | \$2,900     | \$3,000     | \$3,000     |
| Annual out-of-pocket expenses required to be paid (other than for premiums) can't exceed                | \$3,850     | \$4,000     | \$4,050     |
| *High deductible health plan--family coverage   |             |             |             |
| Annual deductible--minimum  | \$3,850     | \$4,000     | \$4,050     |
| Annual deductible--maximum  | \$5,800     | \$6,050     | \$6,050     |
| Annual out-of-pocket expenses required to be paid (other than for premiums) can't exceed                | \$7,050     | \$7,350     | \$7,400     |
| <b>Health Savings Accounts (HSAs)</b>   |             |             |             |
| *Annual contribution limit  |             |             |             |
| Self-only coverage  | \$2,900     | \$3,000     | \$3,050     |
| Family coverage   | \$5,800     | \$5,950     | \$6,150     |
| *High deductible health plan--self-only coverage  |             |             |             |
| Annual deductible--minimum  | \$1,100     | \$1,150     | \$1,200     |
| Annual out-of-pocket expenses required to be paid (other than for premiums) can't exceed                | \$5,600     | \$5,800     | \$5,950     |
| *High deductible health plan--family coverage   |             |             |             |
| Annual deductible--minimum  | \$2,200     | \$2,300     | \$2,400     |
| Annual out-of-pocket expenses required to be paid (other than for premiums) can't exceed                | \$11,200    | \$11,600    | \$11,900    |
| *Annual catch up contribution limit for individuals age 55 or older                                     | \$900       | \$1,000     | \$1,000     |