

ECA Marketing - 2010 Tax Reference Guide

Employer Plan / IRA Contributions

Employer Plans

	2009	2010
Elective Deferrals for 401(k), 403(b), 457	\$16,500	\$16,500
Catch-Up Contributions 401(k), 403(b), 457	\$5,500	\$5,500
Defined Contribution Plan Limit	\$49,000	\$49,000
SEP IRA Annual Addition Limit	\$49,000	\$49,000
SIMPLE IRA & 401(k) Limit	\$11,500	\$11,500
SIMPLE IRA & 401(k) Catch-up	\$2,500	\$2,500
Maximum Includable Compensation	\$245,000	\$245,000
Annual Benefit Limit	\$195,000	\$195,000
Highly Compensated Employee	\$110,000	\$110,000
Key Employee	\$160,000	\$160,000
SEP Minimum Earnings Limit	\$550	\$550
PBGC Maximum Monthly Benefit	\$4,500	\$4,500

Traditional and Roth IRA Contributions

	2009	2010
Traditional & Roth IRA Contribution Limit	\$5,000	\$5,000
Catch-Up Contribution	\$1,000	\$1,000

Traditional IRA Deduction Phase Outs

Active Participants (active participant in a qualified plan)	2009	2010
Single or HofH	55,000-65,000	55,000-65,000
MFJ	89,000-109,000	89,000-109,000
MFS	0-10,000	0-10,000

Non-Active Participants full contribution is deductible (if married, neither spouse active)

Spousal Contributions (if one spouse is an active participant, contribution for non-active spouse)

MFJ	166,000-176,000	166,000-176,000
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Roth IRAs

Roth IRA Contribution Phase Out

Single or HofH	105,000-120,000	105,000-120,000
MFJ	166,000-176,000	166,000-176,000
MFS	0-10,000	0-10,000

Roth IRA Conversion Phase Out (eliminated in 2010)

Single	100,000	None
MFJ	100,000	None
MFS	Ineligible	None

Employer Plan / IRA Distributions

Uniform Life Expectancy Table (ULET)

Age	Distribution Period	%	Age	Distribution Period	%
70	27.4	3.65	93	9.6	10.42
71	26.5	3.77	94	9.1	10.99
72	25.6	3.91	95	8.6	11.63
73	24.7	4.05	96	8.1	12.35
74	23.8	4.20	97	7.6	13.16
75	22.9	4.37	98	7.1	14.08
76	22.0	4.55	99	6.7	14.93
77	21.2	4.72	100	6.3	15.87
78	20.3	4.93	101	5.9	16.95
79	19.5	5.13	102	5.5	18.18
80	18.7	5.35	103	5.2	19.23
81	17.9	5.59	104	4.9	20.41
82	17.1	5.85	105	4.5	22.22
83	16.3	6.13	106	4.2	23.81
84	15.5	6.45	107	3.9	25.64
85	14.8	6.76	108	3.7	27.03
86	14.1	7.09	109	3.4	29.41
87	13.4	7.46	110	3.1	32.26
88	12.7	7.87	111	2.9	34.48
89	12.0	8.33	112	2.6	38.46
90	11.4	8.77	113	2.4	41.67
91	10.8	9.26	114	2.1	47.62
92	10.2	9.80	115+	1.9	52.63

Use ULET for calculating RMDs during account holder's life

$$\text{RMD Formula} = \frac{\text{Prior year 12/31 Account Balance}}{\text{Life Expectancy}^1}$$

¹Life Expectancy = distribution period for age you will turn in the distribution year

Required Distributions Options After Death²

Designated Beneficiary	Death prior to RBD ²	Death on or After RBD ²
Spouse	Treat as own Life Expectancy 5 year rule	Treat as own Life Expectancy
Non-Spouse	Life Expectancy 5-year rule	Life Expectancy
None	5-year rule	Life Expectancy of Acct. Holder

²RBD = Required beginning date for RMDs
Plans may require faster payout than RMD rules require

Early Retirement - Exceptions to the 10% penalty for distributions prior to age 59 1/2

	NQ Annuity	Qualified Plans	IRAs
Death	X	X	X
Disability	X	X	X
Substantially Equal Pmts. (72t)	X	X	X
Medical Exp. (limited to ded. amt.)		X	X
College Expenses			X
Health Ins. Prem. for unemployed			X
Qualified first time homebuyer/reservist/hurricane			X
Age 55 & Separated from Service/QDRO		X	
Immediate Annuity		X	

Life Expectancy & Inflation Tables

Annual Inflation Table (CPI*)

Year	Rate %	Year	Rate %	Year	Rate %
1950	1.3	1970	5.7	1990	5.4
1951	7.9	1971	4.4	1991	4.2
1952	1.9	1972	3.2	1992	3.0
1953	0.8	1973	6.2	1993	3.0
1954	0.7	1974	11.0	1994	2.6
1955	-0.4	1975	9.1	1995	2.8
1956	1.5	1976	5.8	1996	3.0
1957	3.3	1977	6.5	1997	2.3
1958	2.8	1978	7.6	1998	1.6
1959	0.7	1979	11.3	1999	2.2
1960	1.7	1980	13.5	2000	3.4
1961	1.0	1981	10.3	2001	2.8
1962	1.0	1982	6.2	2002	1.6
1963	1.3	1983	3.2	2003	2.3
1964	1.3	1984	4.3	2004	2.7
1965	1.6	1985	3.6	2005	3.4
1966	2.9	1986	1.9	2006	3.2
1967	3.1	1987	3.6		
1968	4.2	1988	4.1		
1969	5.5	1989	4.8		

Historical Inflation - 20 year periods (CPI*)

Years	Average Annual	Total
1986-2005	3.0%	80.1%
1981-2000	3.8%	101.6%
1976-1995	5.4%	167.8%
1971-1990	6.3%	222.7%
1966-1985	6.4%	232.1%
1961-1980	5.3%	175.6%

*Based on the Consumer Price Index for all urban consumers

IRS Life Expectancy Tables

Age	Single	Joint	Age	Single	Joint
50	34.2	40.4	71	16.3	20.9
51	33.3	39.5	72	15.5	20.0
52	32.3	38.5	73	14.8	19.2
53	31.4	37.5	74	14.1	18.4
54	30.5	36.6	75	13.4	17.6
55	29.6	35.6	76	12.7	16.8
56	28.7	34.7	77	12.1	16.0
57	27.9	33.7	78	11.4	15.2
58	27.0	32.8	79	10.8	14.5
59	26.1	31.8	80	10.2	13.8
60	25.2	30.9	81	9.7	13.1
61	24.4	29.9	82	9.1	12.4
62	23.5	29.0	83	8.6	11.7
63	22.7	28.1	84	8.1	11.1
64	21.8	27.1	85	7.6	10.5
65	21.0	26.2	86	7.1	9.9
66	20.2	25.3	87	6.7	9.4
67	19.4	24.4	88	6.3	8.8
68	18.6	23.5	89	5.9	8.3
69	17.8	22.6	90	5.5	7.8
70	17.0	21.8			

Joint = Joint life expectancy of male & female of the same age

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Social Security / FICA / LTC

Social Security

Base Modified Adjusted Gross Income, causing Social Security Benefits to be Taxable

	50% Taxable	85% Taxable
Married Filing Jointly	\$32,000	\$44,000
Single	\$25,000	\$34,000

FICA

Maximum Compensation Subject to FICA Taxes

	2009	2010
Social Security Maximum	\$106,800	\$106,800
Medicare Maximum	No Limit	No Limit

FICA Tax Rates

	Self-Employed	Employees
Social Security Tax Rate	12.4%	6.2%
Medicare Tax Rate	2.9%	1.45%

Long Term Care

Attained age before the close of the taxable year

	Maximum Deduction for year	
	2009	2010
40 or less	\$320	\$330
More than 40 but not more than 50	\$600	\$620
More than 50 but not more than 60	\$1,190	\$1,230
More than 60 but not more than 70	\$3,180	\$3,290
More than 70	\$3,980	\$4,110

(over)



2009 Income Tax Rates

Taxable Inc. Over	Not Over	Tax is	Plus	Of amt. over
Single				
\$0	\$8,350	\$0	10%	\$0
8,350	33,950	835	15%	8,350
33,950	82,250	4,675	25%	33,950
82,250	171,550	16,750	28%	82,250
171,550	372,950	41,754	33%	171,550
372,950		108,216	35%	372,950

Married Filing Joint (MFJ)

\$0	\$16,700	\$0	10%	\$0
16,700	67,900	1,670.00	15%	16,700
67,900	137,050	9,350.00	25%	67,900
137,050	208,850	26,637.50	28%	137,050
208,850	372,950	46,741.50	33%	208,850
372,950		100,894.50	35%	372,950

Head of Households (HofH)

\$0	\$11,950	\$0	10%	\$0
11,950	45,500	1,195.00	15%	11,950
45,500	117,450	6,227.50	25%	45,500
117,450	190,200	24,215.00	28%	117,450
190,200	372,950	44,585.00	33%	190,200
372,950		104,892.50	35%	372,950

Married Filing Separate Returns (MFS)

\$0	\$8,350	\$0	10%	\$0
8,350	33,950	835.00	15%	8,350
33,950	68,525	4,675.00	25%	33,950
68,525	104,425	13,318.75	28%	68,525
104,425	186,475	23,370.75	33%	104,425
186,475		50,447.25	35%	186,475

Estate and Trusts

\$0	\$2,300	\$0	15%	\$0
2,300	5,350	345.00	25%	2,300
5,350	8,200	1,107.50	28%	5,350
8,200	11,150	1,905.50	33%	8,200
11,150		2,879.00	35%	11,150

2010 Income Tax Rates

Taxable Inc. Over	Not Over	Tax is	Plus	Of amt. over
Single				
\$0	\$8,375	\$0	10%	\$0
8,375	34,000	837.50	15%	8,375
34,000	82,400	4,681.25	25%	34,000
82,400	171,850	16,781.25	28%	82,400
171,850	373,650	41,827.25	33%	171,850
373,650		108,421.25	35%	373,650

Married Filing Joint (MFJ)

\$0	\$16,750	\$0	10%	\$0
16,750	68,000	1,675.00	15%	16,750
68,000	137,300	9,362.50	25%	68,000
137,300	209,250	26,687.50	28%	137,300
209,250	373,650	46,833.50	33%	209,250
373,650		101,085.50	35%	373,650

Head of Households (HofH)

\$0	\$11,950	\$0	10%	\$0
11,950	45,550	1,195	15%	11,950
45,550	117,650	6,235	25%	45,550
117,650	190,550	24,260	28%	117,650
190,550	373,650	44,672	33%	190,550
373,650		105,095	35%	373,650

Married Filing Separate Returns (MFS)

\$0	\$8,375	\$0	10%	\$0
8,375	34,000	837.50	15%	8,375
34,000	68,650	4,681.25	25%	34,000
68,650	104,625	13,343.75	28%	68,650
104,625	186,825	23,416.75	33%	104,625
186,825		50,542.75	35%	186,825

Estate and Trusts

\$0	\$2,300	\$0	15%	\$0
2,300	5,350	345.00	25%	2,300
5,350	8,200	1,107.50	28%	5,350
8,200	11,200	1,905.50	33%	8,200
11,200		2,895.50	35%	11,200

Additional Income Tax Information

Personal Exemption:
\$3,650 in 2009 / \$3,650 for 2010

Standard Deduction

	2009		2010	
	2009	2010	2009	2010
Single	\$5,700	\$5,700	\$1,400	\$1,400
MFJ	11,400	11,400	1,100	1,100
HofH	8,350	8,400	1,400	1,400
MFS	5,700	5,700	1,100	1,100

Add'l \$1,100 if > 65 or blind.
This amt. increases to \$1,400 if also unmarried

Limit on Itemized Deductions: Reduced by 3% of taxpayer's AGI in excess of \$166,800 (\$159,950 in 2008). Maximum reduction is 80% of itemized deductions

Kiddie Tax (on unearned income)

	2009	2010	
First	\$950	\$950	No Tax
Next	950	950	Child's Rate
Amounts Over	1,900	1,900	Parents' Rate

Child Tax Credit

\$1,000 per child, phases out \$50 for each \$1,000 over AGI of \$110,000 (MFJ) or \$75,000 (single)

Capital Gain/Dividend Rates (Years 2003-2010)

	10% & 15% Ordinary Inc. Brackets	Other Ordinary Inc. Brackets
Short Term <12 mos	Ordinary Rate	Ordinary Rate
Long Term >12 mos	5%, 0% in 2008 - 2010	15%
Qualified Dividends	5%, 0% in 2008 - 2010	15%

Estate, Gift & Corporate Taxes

Estate & Gift Tax Rates

Taxable Gift/Estate Over	Not Over	Tax on Column 1	Rate on Excess
\$0	\$10,000	\$0	18%
10,000	20,000	1,800	20%
20,000	40,000	3,800	22%
40,000	60,000	8,200	24%
60,000	80,000	13,000	26%
80,000	100,000	18,200	28%
100,000	150,000	23,800	30%
150,000	250,000	38,800	32%
250,000	500,000	70,800	34%
500,000	750,000	155,800	37%
750,000	1,000,000	248,300	39%
1,000,000	1,250,000	345,800	41%
1,250,000	1,500,000	448,300	43%
1,500,000		555,800	45%

Exclusion Equivalent & Applicable Credit

	Exclusion Equivalent	Applicable Credit	Top Estate Tax Rate
2007	\$2,000,000	\$780,800	45%
2008	2,000,000	780,800	45%
2009	3,500,000	1,455,800	45%
2010	Estate Tax Repealed, Gift Tax Applies ³		
2011	1,000,000	345,800	55%

Subtract Applicable Credit from tax calculated above

³Subject to change in 2010 pending Congressional action

Gift Tax & GST Tax

Annual Gift Tax Exclusion: \$13,000 in 2009, \$13,000 in 2010
Gift Tax Exclusion Equivalent: \$1,000,000
GST Exemption: Equal to Estate Tax Ex. Equiv. above

Corporate Tax Rates (for all years after 1993)

Taxable Inc. Over	Not Over	Tax is	% on excess
\$0	\$50,000	\$0	15%
50,000	75,000	7,500	25%
75,000	100,000	13,750	34%
100,000	335,000	22,250	39%
335,000	10,000,000	113,900	34%
10,000,000	15,000,000	3,400,000	35%
15,000,000	18,333,333	5,150,000	38%
18,333,333	—	6,416,667	35%



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