

Peter Rosengard, CLU, RHU  
Director, Strategic Planning  
302 Harper Drive, Suite 103  
Moorestown, NJ 08057  
856-866-0028  
Fax: 856-234-4975  
prosengard@r4rws.com  
www.R4RWS.com

# 2011 Key Numbers

<b>Individual Income Tax Planning</b>	<b>2010</b>	<b>2011</b>
<b>Adoption Credit</b>		
*Maximum credit	\$13,170	\$13,360
Phaseout threshold amount	\$182,520	\$185,210
Completed phaseout amount after	\$222,520	\$225,210
<b>Alternative Minimum Tax (AMT)</b>		
*Maximum AMT exemption amount		
Married filing jointly or surviving spouse	\$72,450	\$74,450
Single or head of household	\$47,450	\$48,450
Married filing separately	\$36,225	\$37,225
*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
<b>Charitable deductions:</b>		
*Use of auto for charitable purposes (deductible standard mileage rate)	\$0.14	\$0.14
<b>Charitable fundraising contributions "insubstantial benefit" limitations:</b>		
*Low-cost article (re: unrelated business income)	\$9.60	\$9.70
*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	\$9.60	\$9.70
Minimum contribution amount	\$48	\$48.50
*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	\$96	\$97
<b>Child tax credit</b>		
*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
<b>Classroom expenses of elementary and secondary school teachers (maximum above-the-line deduction)</b>	\$250	\$250

<b>Individual Income Tax Planning</b>	<b>2010</b>	<b>2011</b>
<b>Earned income tax credit (EITC):</b>		
*Excessive investment income limit ("disqualified income limit")	\$3,100	\$3,150
*Maximum amount of EITC per number of children		
0 children	\$457	\$464
1 child	\$3,050	\$3,094
2 children	\$5,036	\$5,112
3 or more children	\$5,666	\$5,751
*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	\$5,980	\$6,070
1 child	\$8,970	\$9,100
2 or more children	\$12,590	\$12,780
*Threshold phaseout amount for joint filers per number of children		
0 children	\$12,490	\$12,670
1 child	\$21,460	\$21,770
2 children	\$21,460	\$21,770
3 or more children	\$21,460	\$21,770
*Threshold phaseout amount for other filers per number of children		
0 children	\$7,480	\$7,590
1 child	\$16,450	\$16,690
2 children	\$16,450	\$16,690
3 or more children	\$16,450	\$16,690
*Completed phaseout amount for joint filers per number of children		
0 children	\$18,470	\$18,740
1 child	\$40,545	\$41,132
2 children	\$45,373	\$46,044
3 or more children	\$48,362	\$49,078
*Completed phaseout amount for other filers per number of children		
0 children	\$13,460	\$13,660
1 child	\$35,535	\$36,052
2 children	\$40,363	\$40,964
3 or more children	\$43,352	\$43,998
<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)	\$145,000	\$147,000
*IRC §877A(3) exclusion amount	\$627,000	\$636,000
<b>Foreign earned income exclusion:</b>		
	\$91,500	\$92,900
<b>Itemized Deductions</b>		
*Itemized deductions threshold phaseout amount for MFS:	N/A	N/A
*Itemized deductions threshold phaseout amount for all others:	N/A	N/A

<b>Individual Income Tax Planning</b>	<b>2010</b>	<b>2011</b>
<b>Kiddie tax:</b>		
*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 \$47,450	Lesser of \$6,800 + child's earned income or \$48,450
<b>Making Work Pay tax credit</b>		
*Maximum credit		
Filing status other than married filing jointly	\$400	N/A Credit not extended, but related benefit provided by one year 2% reduction in employee Social Security payroll taxes (also applies to self-employment tax of self-employed individuals)
Married filing jointly	\$800	
*Income phaseout: Other than married filing jointly		
Phaseout threshold amount	\$75,000	
Completed phaseout amount after	\$95,000	
*Income phaseout: Married filing jointly		
Phaseout threshold amount	\$150,000	
Completed phaseout amount after	\$190,000	
<b>Nanny tax (domestic employee coverage threshold)</b>	\$1,700	\$1,700
<b>Personal exemption amount:</b>	\$3,650	\$3,700
*Personal exemption amount for taxpayers with AGI exceeding maximum phaseout threshold	N/A	N/A
*Married filing jointly		
Phaseout threshold amount	N/A	N/A
Completed phaseout amount after	N/A	N/A
*Head of household		
Phaseout threshold amount	N/A	N/A
Completed phaseout amount after	N/A	N/A
*Single		
Phaseout threshold amount	N/A	N/A
Completed phaseout amount after	N/A	N/A
*Married filing separately		
Phaseout threshold amount	N/A	N/A
Completed phaseout amount after	N/A	N/A
<b>"Saver's Credit" (Elective Deferrals and IRA Contributions by Certain Individuals)</b>		
*Maximum credit amount	\$1,000	\$1,000
*Applicable percentage of 50% applies to AGI		
Joint Return	\$0 - \$33,500	\$0 - \$34,000
Head of Household	\$0 - \$25,125	\$0 - \$25,500
Other	\$0 - \$16,750	\$0 - \$17,000
*Applicable percentage of 20% applies to AGI		
Joint Return	\$33,501 - \$36,000	\$34,001 - \$36,500
Head of Household	\$25,126 - \$27,000	\$25,501 - \$27,375
Other	\$16,751 - \$18,000	\$17,001 - \$18,250
*Applicable percentage of 10% applies to AGI		
Joint Return	\$36,001 - \$55,500	\$36,501 - \$56,500
Head of Household	\$27,001 - \$41,625	\$27,376 - \$42,375
Other	\$18,001 - \$27,750	\$18,251 - \$28,250
*Applicable percentage of 0% applies to AGI		
Joint Return	Over \$55,500	Over \$56,500
Head of Household	Over \$41,625	Over \$42,375
Other	Over \$27,750	Over \$28,250

<b>Individual Income Tax Planning</b>	<b>2010</b>	<b>2011</b>
<b>Standard deductions:</b>		
*Married filing jointly or surviving spouse	\$11,400	\$11,600
*Head of household	\$8,400	\$8,500
*Single	\$5,700	\$5,800
*Married filing separately	\$5,700	\$5,800
*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	\$1,450
* Additional deduction for aged or blind (all other filing statuses)	\$1,100	\$1,150
* Additional standard deduction for state and local real property taxes (maximum additional deduction)		
Married filing jointly	N/A	N/A
All other filing statuses	N/A	N/A
<b>Standard mileage rates:</b>		
*Use of auto for business purposes (cents per mile)	\$0.50	\$0.51
*Use of auto for medical purposes (cents per mile)	\$0.165	\$0.19
*Use of auto for moving purposes (cents per mile)	\$0.165	\$0.19

## 2011 Federal Income Tax Rate Schedules (Individuals, Trusts, and Estates)

### Unmarried taxpayers

If taxable income is:	Your tax is:
Not over \$8,500	10% of taxable income
Over \$8,500 to \$34,500	\$850 + 15% of the excess over \$8,500
Over \$34,500 to \$83,600	\$4,750 + 25% of the excess over \$34,500
Over \$83,600 to \$174,400	\$17,025 + 28% of the excess over \$83,600
Over \$174,400 to \$379,150	\$42,449 + 33% of the excess over \$174,400
Over \$379,150	\$110,016.50 + 35% of the excess over \$379,150

### Married filing jointly and surviving spouses

If taxable income is:	Your tax is:
Not over \$17,000	10% of taxable income
Over \$17,000 to \$69,000	\$1,700 + 15% of the excess over \$17,000
Over \$69,000 to \$139,350	\$9,500 + 25% of the excess over \$69,000
Over \$139,350 to \$212,300	\$27,087.50 + 28% of the excess over \$139,350
Over \$212,300 to \$379,150	\$47,513.50 + 33% of the excess over \$212,300
Over \$379,150	\$102,574 + 35% of the excess over \$379,150

### Married individuals filing separately

If taxable income is:	Your tax is:
Not over \$8,500	10% of taxable income
Over \$8,500 to \$34,500	\$850 + 15% of the excess over \$8,500
Over \$34,500 to \$69,675	\$4,750 + 25% of the excess over \$34,500
Over \$69,675 to \$106,150	\$13,543.75 + 28% of the excess over \$69,675
Over \$106,150 to \$189,575	\$23,756.75 + 33% of the excess over \$106,150
Over \$189,575	\$51,287 + 35% of the excess over \$189,575

### Heads of household

If taxable income is:	Your tax is:
Not over \$12,150	10% of taxable income
Over \$12,150 to \$46,250	\$1,215 + 15% of the excess over \$12,150
Over \$46,250 to \$119,400	\$6,330 + 25% of the excess over \$46,250
Over \$119,400 to \$193,350	\$24,617.50 + 28% of the excess over \$119,400
Over \$193,350 to \$379,150	\$45,323.50 + 33% of the excess over \$193,350
Over \$379,150	\$106,637.50 + 35% of the excess over \$379,150

### Trusts and estates

If taxable income is:	Your tax is:
Not over \$2,300	15% of taxable income
Over \$2,300 to \$5,450	\$345 + 25% of the excess over \$2,300
Over \$5,450 to \$8,300	\$1,132.50 + 28% of the excess over \$5,450
Over \$8,300 to \$11,350	\$1,930.50 + 33% of the excess over \$8,300
Over \$11,350	\$2,937 + 35% of the excess over \$11,350

## 2010 Federal Income Tax Rate Schedules (Individuals, Trusts, and Estates)

### 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

<b>Business Planning</b>	<b>2010</b>	<b>2011</b>
<b>Adoption Assistance Programs</b>		
*Maximum amount that can be excluded from employee's gross income	\$13,170	\$13,360
Phaseout threshold amount	\$182,520	\$185,210
Completed phaseout amount after	\$222,520	\$225,210
<b>Earnings subject to FICA taxes (taxable wage base):</b>		
*Maximum annual earnings subject to Social Security taxes	\$106,800	\$106,800
*Social Security and Medicare combined tax rate	15.30%	13.30% <sup>1</sup>
OASDI portion (Social Security)	12.40%	10.40% <sup>1</sup>
Hospital Insurance portion (Medicare)	2.90%	2.90%
<b>Health insurance deduction for self-employed:</b>		
*Deduction for health insurance premiums paid by self-employed persons	100%	100%
<b>Qualified transportation fringe benefits:</b>		
*Commuter vehicles and transit pass monthly exclusion amount	\$230	\$230
*Qualified parking monthly exclusion amount	\$230	\$230
*Qualified bicycle commuting reimbursement fringe benefit (monthly amount)	\$20	\$20
<b>Section 179 expensing</b>		
*Maximum amount that may be deducted under section 179	\$500,000	\$500,000
*Deduction reduced by the amount by which the cost of §179 property placed in service during the year exceeds this amount	\$2,000,000	\$2,000,000
<b>Small business tax credit for providing health-care coverage:</b>		
*Maximum credit percentage	35%	35%
*Partial credit		
Number of full-time equivalent employees (FTEs) fewer than:	25	25
Maximum average annual wages less than:	\$50,000	\$50,000
*Full credit		
Number of full-time equivalent employees (FTEs) no more than:	10	10
Maximum average annual wages less than or equal to:	\$25,000	\$25,000
<b>Special additional first-year depreciation allowance</b>		
*"Bonus" depreciation for qualified property acquired and placed in service during specified time periods	50%/100% <sup>2</sup>	100%
<b>Standard mileage rate (per mile):</b>		
*Use of auto for business purposes	\$0.50	\$0.51
<b>Tax on accumulated earnings and personal holding company income</b>		
*Maximum tax on these items (usually taxed at the highest marginal personal income tax rate).	15%	15%

<sup>1</sup> The Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010 included a 2% reduction in the Social Security (OASDI) portion of FICA tax for 2011.

<sup>2</sup> 100%"bonus" depreciation applies to qualifying property purchased and placed in service after 9/8/10.

<b>Education Planning</b>	<b>2010</b>	<b>2011</b>
<b>Coverdell education savings accounts (formerly known as education IRAs):</b>		
*Annual contribution limit	\$2,000	\$2,000
<b>*MAGI phaseout range for Coverdell education savings accounts</b>		
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
<b>Deduction for qualified higher education expenses</b>		
*Maximum deduction	\$4,000	\$4,000
<b>*MAGI maximum for full \$4,000 deduction</b>		
Single	\$65,000	\$65,000
Married filing jointly	\$130,000	\$130,000
<b>*Reduced deduction available</b>		
*MAGI range for \$2,000 deduction	\$2,000	\$2,000
Single--MAGI greater than this amount:	\$65,000	\$65,000
Single--MAGI does not exceed this amount:	\$80,000	\$80,000
Married filing jointly--MAGI greater than this amount:	\$130,000	\$130,000
Married filing jointly--MAGI does not exceed this amount:	\$160,000	\$160,000
<b>Education loans--interest deduction</b>		
*Maximum deduction for interest paid on qualified education loans	\$2,500	\$2,500
<b>*MAGI phaseout range</b>		
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
<b>Gift tax exclusion</b>		
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
<b>Kiddie tax</b>		
Generally, children pay federal income tax at their parents' rate on any investment income over...	\$1,900	\$1,900
<b>U.S. savings bonds--interest exclusion for higher education expenses:</b>		
<b>*Joint returns</b>		
Phaseout threshold for joint returns	\$105,100	\$106,650
Completed phaseout amount after	\$135,100	\$136,650
<b>*Other returns</b>		
Phaseout threshold for other returns	\$70,100	\$71,100
Completed phaseout amount after	\$85,100	\$86,100

<b>Education Planning</b>	<b>2010</b>	<b>2011</b>
<b>Hope <sup>1</sup> and Lifetime Learning credits</b>		
*Maximum Lifetime Learning credit	\$2,000	\$2,000
*Maximum Hope credit	\$2,500	\$2,500
*MAGI phaseout range for Lifetime Learning credit		
Single--phaseout threshold amount	\$50,000	\$51,000
Single--completed phaseout amount after	\$60,000	\$61,000
Married filing jointly--phaseout threshold amount	\$100,000	\$102,000
Married filing jointly--completed phaseout amount after	\$120,000	\$122,000
*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

<sup>1</sup> For 2010 through 2012, the Hope credit is renamed the American Opportunity tax credit.

<b>Protection Planning</b>	<b>2010</b>	<b>2011</b>
<b>Eligible long-term care premium deduction limits:</b>		
*Age 40 or under	\$330	\$340
*Age 41-50	\$620	\$640
*Age 51-60	\$1,230	\$1,270
*Age 61-70	\$3,290	\$3,390
*Over age 70	\$4,110	\$4,240
<b>Per diem limit: periodic payments for qualified long-term care insurance/ certain life insurance:</b>	\$290	\$300
<b>Archer Medical Savings Accounts</b>		
*High deductible health plan--self-only coverage		
Annual deductible--minimum	\$2,000	\$2,050
Annual deductible--maximum	\$3,000	\$3,050
Annual out-of-pocket expenses required to be paid (other than for premiums) can't exceed	\$4,050	\$4,100
*High deductible health plan--family coverage		
Annual deductible--minimum	\$4,050	\$4,100
Annual deductible--maximum	\$6,050	\$6,150
Annual out-of-pocket expenses required to be paid (other than for premiums) can't exceed	\$7,400	\$7,500

<b>Protection Planning</b>	<b>2010</b>	<b>2011</b>
<b>Health Savings Accounts (HSAs)</b>		
*Annual contribution limit		
Self-only coverage	\$3,050	\$3,050
Family coverage	\$6,150	\$6,150
*High deductible health plan--self-only coverage		
Annual deductible--minimum	\$1,200	\$1,200
Annual out-of-pocket expenses required to be paid (other than for premiums) can't exceed	\$5,950	\$5,950
*High deductible health plan--family coverage		
Annual deductible--minimum	\$2,400	\$2,400
Annual out-of-pocket expenses required to be paid (other than for premiums) can't exceed	\$11,900	\$11,900
*Annual catch up contribution limit for individuals age 55 or older	\$1,000	\$1,000

<b>Estate Planning</b>	<b>2010</b>	<b>2011</b>
<b>Annual gift exclusion:</b>	\$13,000	\$13,000
<b>Estate tax applicable exclusion amount:</b>	\$5,000,000	\$5,000,000 + DSUEA <sup>1</sup>
<b>Gift tax applicable exclusion amount:</b>	\$1,000,000	
<b>Noncitizen spouse annual gift exclusion:</b>	\$134,000	\$136,000
<b>Generation-skipping transfer (GST) tax exemption:</b>	\$5,000,000 <sup>2</sup>	\$5,000,000 <sup>3</sup>
<b>Special use valuation limit (qualified real property in decedent's gross estate):</b>	\$1,000,000	\$1,020,000

<sup>1</sup> \$5,000,000 basic exclusion amount plus deceased spousal unused exclusion amount (exclusion is portable for 2011 and 2012)

<sup>2</sup> A 0% GST tax rate applies for 2010

<sup>3</sup> The GST tax exemption is not portable

#### 2010 through 2012 Gift and Estate Tax Rate Schedule

<b>Taxable Estate</b>	<b>Tentative Tax Equals</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 +	\$155,800	35%	\$500,000
<b>Credit shelter amount \$5,000,000</b>	<b>Credit amount \$1,730,800</b>		

In 2010, the gift tax credit shelter amount is \$1,000,000 and the gift tax credit amount is \$345,800. In 2012, the \$5,000,000 credit shelter amount will be indexed. Under the sunset provision of The Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010, the gift and estate and GST tax exemptions referenced above will revert to \$1 million in 2013, and the maximum tax rate will revert to 55%.

<b>Government Benefits</b>	<b>2010</b>	<b>2011</b>
<b>Social Security</b>		
<b>Social Security Cost-of-living adjustment (COLA)</b>		
* For Social Security and Supplemental Security Income (SSI) beneficiaries	0.00%	0.00%
<b>Tax rate</b>		
* FICA tax -- Employee <sup>1</sup>	7.65%	5.65%
Social Security (OASDI) portion of tax <sup>1</sup>	6.20%	4.20%
Medicare (HI) portion of tax	1.45%	1.45%
* Self-Employed	15.30%	13.30%
Social Security (OASDI) portion of tax <sup>1</sup>	12.40%	10.40%
Medicare (HI) portion of tax	2.90%	2.90%
<b>Maximum taxable earnings</b>		
* Social Security (OASDI only)	\$106,800	\$106,800
* Medicare (HI only)	No limit	No limit
<b>Quarter of coverage</b>		
* Earnings required	\$1,120	\$1,120
<b>Retirement earnings test--exempt amounts</b>		
* 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
<b>Social Security disability thresholds</b>		
* Substantial gainful activity (SGA): for the sighted (monthly figure)	\$1,000	\$1,000
* Substantial gainful activity: for the blind (monthly figure)	\$1,640	\$1,640
* Trial work period (TWP) (monthly figure)	\$720	\$720
<b>SSI federal payment standard</b>		
* Individual (monthly figure)	\$674	\$674
* Couple (monthly figure)	\$1,011	\$1,011
<b>SSI resource limits</b>		
* Individual	\$2,000	\$2,000
* Couple	\$3,000	\$3,000
<b>SSI student exclusion limits</b>		
* Monthly limit	\$1,640	\$1,640
* Annual limit	\$6,600	\$6,600

<b>Government Benefits</b>	<b>2010</b>	<b>2011</b>
<b>Maximum Social Security benefit</b>		
* Worker retiring at full retirement age (monthly figure)	\$2,346	\$2,366
<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=\$761 Y=\$4,586	X=\$749 Y=\$4,517
<b>Medicare</b>		
<b>Medicare monthly premium amounts</b>		
* 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	\$254	\$248
Individuals with less than 30 quarters of Medicare-covered employment who are not otherwise eligible for premium-free hospital insurance	\$461	\$450
* Part B (medical insurance) monthly premium		
For beneficiaries who file an individual income tax return with income that is:		
<b>2010 and 2011</b>		
Less than or equal to \$85,000	\$96.40 or \$110.50	\$96.40 \$110.50, or \$115.40 <sup>2</sup>
\$85,001 - \$107,000	\$154.70	\$161.50
\$107,001 - \$160,000	\$221.00	\$230.70
\$160,001 - \$214,000	\$287.30	\$299.90
Greater than \$214,000	\$353.60	\$369.10
For beneficiaries who file a joint income tax return with income that is:		
<b>2010 and 2011</b>		
Less than or equal to \$170,000	\$96.40 or \$110.50	\$96.40 \$110.50, or \$115.40 <sup>2</sup>
\$170,001 - \$214,000	\$154.70	\$161.50
\$214,001 - \$320,000	\$221.00	\$230.70
\$320,001 - \$428,000	\$287.30	\$299.90
Greater than \$428,000	\$353.60	\$369.10
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>2010 and 2011</b>		
Less than or equal to \$85,000	\$96.40 or \$110.50	\$96.40 \$110.50, or \$115.40 <sup>2</sup>
\$85,001 - \$129,000	\$287.30	\$299.90
Greater than \$129,000	\$353.60	\$369.10

<sup>1</sup> The Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010 included a 2% reduction in the Social Security (OASDI) portion of FICA tax for 2011.

<sup>2</sup> Most beneficiaries will continue to pay the same \$96.40 or \$110.50 premium in 2011. However, new enrollees or beneficiaries who currently do not have their premium withheld will pay \$115.40.

<b>Government Benefits</b>	<b>2010</b>	<b>2011</b>
<b>Original Medicare plan deductible and coinsurance amounts</b>		
* Part A (hospital insurance)		
Deductible per benefit period	\$1,100	\$1,132
Coinsurance per day for 61st to 90th day of each benefit period	\$275	\$283
Coinsurance per day for 91st to 150th day for each lifetime reserve day (total of 60 lifetime reserve days--nonrenewable)	\$550	\$566
* Skilled nursing facility coinsurance per day for 21st to 100th day of each benefit period	\$137.50	\$141.50
* Part B (medical insurance) annual deductible		
Individual pays 20 percent of the Medicare-approved amount for services after deductible is met	\$155	\$162
<b>Medicaid</b>		
<b>Monthly income threshold for income-cap states ("300 percent cap limit")</b>	\$2,022	\$2,022
<b>Monthly maintenance needs allowance for at-home spouse</b>		
*Minimum <sup>3</sup>	\$1,822	\$1,822
*Maximum	\$2,739	\$2,739
<b>Spousal resource allowance</b>		
*Minimum	\$21,912	\$21,912
*Maximum	\$109,560	\$109,560

<sup>3</sup> Amounts listed actually effective as of July of prior year; different amounts apply to Alaska and Hawaii.

<b>Retirement Planning</b>	<b>2010</b>	<b>2011</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> (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 <sup>1</sup>	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
*Roth IRAs	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>	\$5,500	\$5,500
* SIMPLE 401(k) plans and SIMPLE IRA plans	\$2,500	\$2,500
* IRAs (traditional and Roth)	\$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
*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

<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> 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>Retirement Planning</b>	<b>2010</b>	<b>2011</b>
<b>Defined contribution plan limits (qualified plans, 403(b) plans, SEP, and SIMPLE plans)</b>		
*Annual addition limit per participant ( <i>employer contributions; employee pretax, after-tax, and Roth contributions; and forfeitures</i> ) ( <i>does not apply to SIMPLE IRA plans</i> )	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 ( <i>not applicable to 403(b) plans</i> )	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>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)	\$245,000	\$245,000
*Compensation threshold used to determine a highly-compensated employee	\$110,000 (when 2010 is the look-back year)	\$110,000 (when 2011 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
<b>Traditional deductible IRA income 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	\$56,000-\$66,000	\$56,000-\$66,000
Married filing jointly	\$89,000-\$109,000	\$90,000-\$110,000
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	\$167,000-\$177,000	\$169,000-\$179,000
<b>Roth IRA income limits</b>		
*Income phase-out range for determining ability to fund Roth IRA for taxpayers filing as:		
Single	\$105,000-\$120,000	\$107,000-\$122,000
Married filing jointly	\$167,000-\$177,000	\$169,000-\$179,000
Married filing separately	\$0-\$10,000	\$0-\$10,000
*Annual income limit for determining ability to convert traditional IRA to Roth IRA	N/A	N/A

<b>Investment Planning</b>	<b>2010</b>	<b>2011</b>
<b>Tax on long-term capital gains</b>		
Taxpayers in tax rate brackets greater than 15%	15%	15%
Taxpayers in tax rate brackets 15% or less	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 tax rate brackets greater than 15%	15%	15%
Taxpayers in tax rate brackets 15% or less	0%	0%

Peter Rosengard, CLU,  
RHU  
Director, Strategic Planning  
302 Harper Drive, Suite 103  
Moorestown, NJ 08057  
856-866-0028  
Fax: 856-234-4975  
prosegard@r4rws.com  
www.R4RWS.com

Peter Rosengard is an investment advisor representative and a registered representative of MetLife Securities, Inc. (MSI), which is a registered investment advisor and a member of FINRA/SIPC. Insurance offered through the Enterprise General Agency, Inc. (EGA), Somerset, NJ 08873, and the Metropolitan Life Insurance Company (MLIC), New York, NY 10166. Products and services offered through **R<sup>4</sup> Employee Benefit Solutions™** and **R<sup>4</sup> Enterprises™** are not guaranteed, endorsed or recommended by MLIC, MSI or the EGA. **R<sup>4</sup> Risk & Wealth Solutions™** is a marketing name for Peter Rosengard's firm.

**R<sup>4</sup> RISK & WEALTH SOLUTIONS™**  
INSURANCE ♦ INVESTMENTS ♦ BENEFITS