



Keener Financial Planning
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2010 Key Numbers

| Individual Income Tax Planning | 2009 | 2010 |
|---|-------------|-----------------------|
| Adoption Credit | | |
| *Maximum credit | \$12,150 | \$12,170 |
| Phaseout threshold amount | \$182,180 | \$182,520 |
| Completed phaseout amount after | \$222,180 | \$222,520 |
| Alternative Minimum Tax (AMT) | | |
| *Maximum AMT exemption amount | | |
| Married filing jointly or surviving spouse | \$70,950 | \$45,000 ¹ |
| Single or head of household | \$46,700 | \$33,750 ¹ |
| Married filing separately | \$35,475 | \$22,500 ¹ |
| *AMT income exemption phaseout threshold | | |
| Married filing jointly or surviving spouse | \$150,000 | \$150,000 |
| Single or head of household | \$112,500 | \$112,500 |
| Married filing separately | \$75,000 | \$75,000 |
| Charitable deductions: | | |
| *Use of auto for charitable purposes (deductible standard mileage rate) | \$0.14 | \$0.14 |
| Charitable fundraising contributions "insubstantial benefit" limitations: | | |
| *Low-cost article (re: unrelated business income) | \$9.50 | \$9.60 |
| *Other insubstantial benefits (re: gifts to donor in return for contribution). Contribution is fully deductible if minimum contribution amount is met and cost of token gift does not exceed maximum. | | |
| Token gift maximum cost | \$9.50 | \$9.60 |
| Minimum contribution amount | \$47.50 | \$48 |
| *Charitable contribution is fully deductible if the benefit received by the donor doesn't exceed the lesser of the threshold amount or 2% of the amount of the contribution | | |
| Threshold amount | \$95 | \$96 |
| Child tax credit | | |
| *Maximum credit per qualifying child | \$1,000 | \$1,000 |
| *Phaseout-- credit reduced by \$50 for each \$1,000 or fraction thereof of MAGI over: | | |
| Single | \$75,000 | \$75,000 |
| Married Filing Jointly | \$110,000 | \$110,000 |
| Married Filing Separately | \$55,000 | \$55,000 |
| *Refundability -- up to specified percentage of earned income in excess of specified amount | | |
| Percentage | 15% | 15% |
| Amount | \$3,000 | \$3,000 |
| Classroom expenses of elementary and secondary school teachers (maximum above-the-line deduction) | \$250 | N/A ¹ |

| Individual Income Tax Planning | 2009 | 2010 |
|--|-------------|-------------|
| Earned income tax credit (EITC): | | |
| *Excessive investment income limit ("disqualified income limit") | \$3,100 | \$3,100 |
| *Maximum amount of EITC per number of children | | |
| 0 children | \$457 | \$457 |
| 1 child | \$3,043 | \$3,050 |
| 2 children | \$5,028 | \$5,036 |
| 3 or more children | \$5,657 | \$5,666 |
| *Maximum amount of earned income on which EITC is based (earned income over this amount but under the threshold phaseout amount will not change the amount of the credit received) | | |
| 0 children | \$5,970 | \$5,980 |
| 1 child | \$8,950 | \$8,970 |
| 2 or more children | \$12,570 | \$12,590 |
| *Threshold phaseout amount for joint filers per number of children | | |
| 0 children | \$12,470 | \$12,490 |
| 1 child | \$21,420 | \$21,460 |
| 2 children | \$21,420 | \$21,460 |
| 3 or more children | \$21,420 | \$21,460 |
| *Threshold phaseout amount for other filers per number of children | | |
| 0 children | \$7,470 | \$7,480 |
| 1 child | \$16,420 | \$16,450 |
| 2 children | \$16,420 | \$16,450 |
| 3 or more children | \$16,420 | \$16,450 |
| *Completed phaseout amount for joint filers per number of children | | |
| 0 children | \$18,440 | \$18,470 |
| 1 child | \$40,463 | \$40,545 |
| 2 children | \$45,295 | \$45,373 |
| 3 or more children | \$48,279 | \$48,362 |
| *Completed phaseout amount for other filers per number of children | | |
| 0 children | \$13,440 | \$13,460 |
| 1 child | \$35,463 | \$35,535 |
| 2 children | \$40,295 | \$40,363 |
| 3 or more children | \$43,279 | \$43,352 |
| Expatriation | | |
| *An individual with "average annual net income tax" of more than this amount for the five taxable years ending before his or her loss of citizenship is a covered expatriate for purposes of IRC §877A(g)(1) | \$145,000 | \$145,000 |
| *IRC §877A(3) exclusion amount | \$626,000 | \$627,000 |
| Foreign earned income exclusion: | | |
| | \$91,400 | \$91,500 |
| Itemized Deductions ² | | |
| *Itemized deductions threshold phaseout amount for MFS: | \$83,400 | N/A |
| *Itemized deductions threshold phaseout amount for all others: | \$166,800 | N/A |

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

| Individual Income Tax Planning | 2009 | 2010 |
|---|--|--|
| Standard deductions: ⁴ | | |
| *Married filing jointly or surviving spouse | \$11,400 | \$11,400 |
| *Head of household | \$8,350 | \$8,400 |
| *Single | \$5,700 | \$5,700 |
| *Married filing separately | \$5,700 | \$5,700 |
| *Dependent | Greater of \$950, or \$300 + earned income | Greater of \$950, or \$300 + earned income |
| *Additional deduction for aged or blind (single or head of household) | \$1,400 | \$1,400 |
| * Additional deduction for aged or blind (all other filing statuses) | \$1,100 | \$1,100 |
| * Additional standard deduction for state and local real property taxes (maximum additional deduction) ⁵ | | |
| Married filing jointly | \$1,000 | N/A |
| All other filing statuses | \$500 | N/A |
| Standard mileage rates: | | |
| *Use of auto for business purposes (cents per mile) | \$0.55 | TBD |
| *Use of auto for medical purposes (cents per mile) | \$0.24 | TBD |
| *Use of auto for moving purposes (cents per mile) | \$0.24 | TBD |

¹ Assumes no additional Congressional action.

² The phaseout of itemized deductions for individuals with higher AGIs is itself phased out. In 2009, only 1/3 of the calculated reduction was used to reduce allowable itemized deductions. In 2010, this phaseout of itemized deductions for individuals with higher AGIs does not apply.

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

⁴ Qualifying individuals who do not itemize deductions are allowed to deduct state sales tax and excise tax attributable to the purchase of a qualified motor vehicle on or after 2/17/09 and before 1/1/10 as part of the standard deduction. A purchase price cap and a modified adjusted gross income phaseout apply.

⁵ Housing Assistance Tax Act of 2008 and the Emergency Economic Stabilization Act of 2008.

2010 Marginal Income Tax Rates

Unmarried taxpayers

| If taxable income is: | Your tax is: |
|-----------------------------|---|
| Not over \$8,375 | 10% of taxable income |
| Over \$8,375 to \$34,000 | \$837.50 + 15% of the excess over \$8,375 |
| Over \$34,400 to \$82,400 | \$4,681.25 + 25% of the excess over \$34,000 |
| Over \$82,400 to \$171,850 | \$16,781.25 + 28% of the excess over \$82,400 |
| Over \$171,850 to \$373,650 | \$41,827.25 + 33% of the excess over \$171,850 |
| Over \$373,650 | \$108,421.25 + 35% of the excess over \$373,650 |

Married filing jointly and surviving spouses

| If taxable income is: | Your tax is: |
|-----------------------------|---|
| Not over \$16,750 | 10% of taxable income |
| Over \$16,750 to \$68,000 | \$1,675 + 15% of the excess over \$16,750 |
| Over \$68,000 to \$137,300 | \$9,362.50 + 25% of the excess over \$68,000 |
| Over \$137,300 to \$209,250 | \$26,687.50 + 28% of the excess over \$137,300 |
| Over \$209,250 to \$373,650 | \$46,833.50 + 33% of the excess over \$209,250 |
| Over \$373,650 | \$101,085.50 + 35% of the excess over \$373,650 |

Married individuals filing separately

| If taxable income is: | Your tax is: |
|-----------------------------|--|
| Not over \$8,375 | 10% of taxable income |
| Over \$8,375 to \$34,000 | \$837.50 + 15% of the excess over \$8,375 |
| Over \$34,000 to \$68,650 | \$4,681.25 + 25% of the excess over \$34,000 |
| Over \$68,650 to \$104,625 | \$13,343.75 + 28% of the excess over \$68,650 |
| Over \$104,625 to \$186,825 | \$23,416.75 + 33% of the excess over \$104,625 |
| Over \$186,825 | \$50,542.75 + 35% of the excess over \$186,825 |

Heads of household

| If taxable income is: | Your tax is: |
|-----------------------------|--|
| Not over \$11,950 | 10% of taxable income |
| Over \$11,950 to \$45,550 | \$1,195 + 15% of the excess over \$11,950 |
| Over \$45,550 to \$117,650 | \$6,235 + 25% of the excess over \$45,550 |
| Over \$117,650 to \$190,550 | \$24,260 + 28% of the excess over \$117,650 |
| Over \$190,550 to \$373,650 | \$44,672 + 33% of the excess over \$190,550 |
| Over \$373,650 | \$105,095 + 35% of the excess over \$373,650 |

Trusts and estates

| If taxable income is: | Your tax is: |
|--------------------------|--|
| Not over \$2,300 | 15% of taxable income |
| Over \$2,300 to \$5,350 | \$345 + 25% of the excess over \$2,300 |
| Over \$5,350 to \$8,200 | \$1,107.50 + 28% of the excess over \$5,350 |
| Over \$8,200 to \$11,200 | \$1,905.50 + 33% of the excess over \$8,200 |
| Over \$11,200 | \$2,895.50 + 35% of the excess over \$11,200 |

2009 Marginal Income Tax Rates

Unmarried taxpayers

| If taxable income is: | Your tax is: |
|-----------------------------|--|
| Not over \$8,350 | 10% of taxable income |
| Over \$8,350 to \$33,950 | \$835 + 15% of the excess over \$8,350 |
| Over \$33,950 to \$82,250 | \$4,675 + 25% of the excess over \$33,950 |
| Over \$82,250 to \$171,550 | \$16,750 + 28% of the excess over \$82,250 |
| Over \$171,550 to \$372,950 | \$41,754 + 33% of the excess over \$171,550 |
| Over \$372,950 | \$108,216 + 35% of the excess over \$372,950 |

Married filing jointly and surviving spouses

| If taxable income is: | Your tax is: |
|-----------------------------|---|
| Not over \$16,700 | 10% of taxable income |
| Over \$16,700 to \$67,900 | \$1,670 + 15% of the excess over \$16,700 |
| Over \$67,900 to \$137,050 | \$9,350 + 25% of the excess over \$67,900 |
| Over \$137,050 to \$208,850 | \$26,637.50 + 28% of the excess over \$137,050 |
| Over \$208,850 to \$372,950 | \$46,741.50 + 33% of the excess over \$208,850 |
| Over \$372,950 | \$100,894.50 + 35% of the excess over \$372,950 |

Married individuals filing separately

| If taxable income is: | Your tax is: |
|-----------------------------|--|
| Not over \$8,350 | 10% of taxable income |
| Over \$8,350 to \$33,950 | \$835 + 15% of the excess over \$8,350 |
| Over \$33,950 to \$68,525 | \$4,675 + 25% of the excess over \$33,950 |
| Over \$68,525 to \$104,425 | \$13,318.75 + 28% of the excess over \$68,525 |
| Over \$104,425 to \$186,475 | \$23,370.75 + 33% of the excess over \$104,425 |
| Over \$186,475 | \$50,447.25 + 35% of the excess over \$186,475 |

Heads of household

| If taxable income is: | Your tax is: |
|-----------------------------|---|
| Not over \$11,950 | 10% of taxable income |
| Over \$11,950 to \$45,500 | \$1,195 + 15% of the excess over \$11,950 |
| Over \$45,500 to \$117,450 | \$6,227.50 + 25% of the excess over \$45,500 |
| Over \$117,450 to \$190,200 | \$24,215 + 28% of the excess over \$117,450 |
| Over \$190,200 to \$372,950 | \$44,585 + 33% of the excess over \$190,200 |
| Over \$372,950 | \$104,892.50 + 35% of the excess over \$372,950 |

Trusts and estates

| If taxable income is: | Your tax is: |
|--------------------------|---|
| Not over \$2,300 | 15% of taxable income |
| Over \$2,300 to \$5,350 | \$345 + 25% of the excess over \$2,300 |
| Over \$5,350 to \$8,200 | \$1,107.50 + 28% of the excess over \$5,350 |
| Over \$8,200 to \$11,150 | \$1,905.50 + 33% of the excess over \$8,200 |
| Over \$11,150 | \$2,879 + 35% of the excess over \$11,150 |

| Business Planning | 2009 | 2010 |
|---|--------------------|-------------|
| Adoption Assistance Programs | | |
| *Maximum amount that can be excluded from employee's gross income | \$12,150 | \$12,170 |
| Phaseout threshold amount | \$182,180 | \$182,520 |
| Completed phaseout amount after | \$222,180 | \$222,520 |
| Earnings subject to FICA taxes (taxable wage base): | | |
| *Maximum annual earnings subject to Social Security taxes | \$106,800 | \$106,800 |
| *Social Security and Medicare combined tax rate | 15.30% | 15.30% |
| OASDI portion (Social Security) | 12.40% | 12.40% |
| Hospital Insurance portion (Medicare) | 2.90% | 2.90% |
| Health insurance deduction for self-employed: | | |
| *Deduction for health insurance premiums paid by self-employed persons | 100% | 100% |
| Qualified transportation fringe benefits: | | |
| *Commuter vehicles and transit pass monthly exclusion amount | \$230 ¹ | \$230 |
| *Qualified parking monthly exclusion amount | \$230 | \$230 |
| *Qualified bicycle commuting reimbursement fringe benefit (monthly amount) | \$20 | \$20 |
| Section 179 expensing | | |
| *Maximum amount that may be deducted under section 179 | \$250,000 | \$134,000 |
| *Deduction reduced by the amount by which the cost of §179 property placed in service during the year exceeds this amount | \$800,000 | \$530,000 |
| Special additional first-year depreciation allowance | | |
| "Bonus" depreciation for qualified property acquired and placed in service during specified time periods | 50% | 0 |
| Standard mileage rate (per mile): | | |
| *Use of auto for business purposes | \$0.55 | TBD |
| Tax on accumulated earnings and personal holding company income | | |
| *Maximum tax on these items (prior to the 2003 Tax Act, these items were taxed at the highest marginal personal income tax rate). | 15% | 15% |

¹ The monthly exclusion amount for January and February of 2009 was \$120

| Education Planning | 2009 | 2010 |
|---|-------------|-------------|
| Coverdell education savings accounts (formerly known as education IRAs): | | |
| *Annual contribution limit | \$2,000 | \$2,000 |
| *MAGI phaseout range for Coverdell education savings accounts | | |
| Single--phaseout threshold amount | \$95,000 | \$95,000 |
| Single--completed phaseout amount after | \$110,000 | \$110,000 |
| Married filing jointly--phaseout threshold amount | \$190,000 | \$190,000 |
| Married filing jointly--completed phaseout threshold amount | \$220,000 | \$220,000 |
| Deduction for qualified higher education expenses | | |
| *Maximum deduction | \$4,000 | N/A |
| *MAGI maximum for full \$4,000 deduction | | |
| Single | \$65,000 | N/A |
| Married filing jointly | \$130,000 | N/A |
| *Reduced deduction available | | |
| Single | \$2,000 | N/A |
| *MAGI range for \$2,000 deduction | | |
| Single--MAGI greater than this amount: | \$65,000 | N/A |
| Single--MAGI does not exceed this amount: | \$80,000 | N/A |
| Married filing jointly--MAGI greater than this amount: | \$130,000 | N/A |
| Married filing jointly--MAGI does not exceed this amount: | \$160,000 | N/A |
| Education loans--interest deduction | | |
| *Maximum deduction for interest paid on qualified education loans | \$2,500 | \$2,500 |
| *MAGI phaseout range | | |
| Single--phaseout threshold amount | \$60,000 | \$60,000 |
| Single--completed phaseout amount after | \$75,000 | \$75,000 |
| Married filing jointly--phaseout threshold amount | \$120,000 | \$120,000 |
| Married filing jointly--completed phaseout amount after | \$150,000 | \$150,000 |
| Gift tax exclusion | | |
| Annual gift tax exclusion-- <i>single individual</i> | \$13,000 | \$13,000 |
| Annual gift tax exclusion-- <i>joint gift</i> | \$26,000 | \$26,000 |
| Lump-sum gift to 529 plan-- <i>single individual</i> | \$65,000 | \$65,000 |
| Lump-sum gift to 529 plan-- <i>joint gift</i> | \$130,000 | \$130,000 |
| Kiddie tax | | |
| Generally, children ¹ pay federal income tax at their parents' rate on any investment income over... | \$1,900 | \$1,900 |
| U.S. savings bonds--interest exclusion for higher education expenses: | | |
| *Joint returns | | |
| Phaseout threshold for joint returns | \$104,900 | \$105,100 |
| Completed phaseout amount after | \$134,900 | \$135,100 |
| *Other returns | | |
| Phaseout threshold for other returns | \$69,950 | \$70,100 |
| Completed phaseout amount after | \$84,950 | \$85,100 |

¹ For tax years beginning after May 25, 2007, the kiddie tax rules apply to children under age 19 and full-time students over age 18 but under age 24 unless an exception applies.

| Education Planning | 2009 | 2010 |
|---|-------------|-------------|
| Hope ¹ and Lifetime Learning credits | | |
| *Maximum Lifetime Learning credit | \$2,000 | \$2,000 |
| *Maximum Lifetime Learning credit--Midwestern disaster area | \$4,000 | N/A |
| *Maximum Hope credit | \$2,500 | \$2,500 |
| *Maximum Hope credit--Midwestern disaster area | \$3,600 | N/A |
| *MAGI phaseout range for Lifetime Learning credit | | |
| Single--phaseout threshold amount | \$50,000 | \$50,000 |
| Single--completed phaseout amount after | \$60,000 | \$60,000 |
| Married filing jointly--phaseout threshold amount | \$100,000 | \$100,000 |
| Married filing jointly--completed phaseout amount after | \$120,000 | \$120,000 |
| *MAGI phaseout range for Hope Credit | | |
| Single--phaseout threshold amount | \$80,000 | \$80,000 |
| Single--completed phaseout amount after | \$90,000 | \$90,000 |
| Married filing jointly--phaseout threshold amount | \$160,000 | \$160,000 |
| Married filing jointly--completed phaseout amount after | \$180,000 | \$180,000 |

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

| Protection Planning | 2009 | 2010 |
|--|-------------|-------------|
| Eligible long-term care premium deduction limits: | | |
| *Age 40 or under | \$320 | \$330 |
| *Age 41-50 | \$600 | \$620 |
| *Age 51-60 | \$1,190 | \$1,230 |
| *Age 61-70 | \$3,180 | \$3,290 |
| *Over age 70 | \$3,980 | \$4,110 |
| Per diem limit: periodic payments for qualified long-term care insurance/ certain life insurance: | \$280 | \$290 |
| | | |
| Archer Medical Savings Accounts | | |
| *High deductible health plan--self-only coverage | | |
| Annual deductible--minimum | \$2,000 | \$2,000 |
| Annual deductible--maximum | \$3,000 | \$3,000 |
| Annual out-of-pocket expenses required to be paid (other than for premiums) can't exceed | \$4,000 | \$4,050 |
| *High deductible health plan--family coverage | | |
| Annual deductible--minimum | \$4,000 | \$4,050 |
| Annual deductible--maximum | \$6,050 | \$6,050 |
| Annual out-of-pocket expenses required to be paid (other than for premiums) can't exceed | \$7,350 | \$7,400 |
| | | |

| Protection Planning | 2009 | 2010 |
|--|-------------|-------------|
| Health Savings Accounts (HSAs) | | |
| *Annual contribution limit | | |
| Self-only coverage | \$3,000 | \$3,050 |
| Family coverage | \$5,950 | \$6,150 |
| *High deductible health plan--self-only coverage | | |
| Annual deductible--minimum | \$1,150 | \$1,200 |
| Annual out-of-pocket expenses required to be paid (other than for premiums) can't exceed | \$5,800 | \$5,950 |
| *High deductible health plan--family coverage | | |
| Annual deductible--minimum | \$2,300 | \$2,400 |
| Annual out-of-pocket expenses required to be paid (other than for premiums) can't exceed | \$11,600 | \$11,900 |
| *Annual catch up contribution limit for individuals age 55 or older | \$1,000 | \$1,000 |

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

¹ Assumes no additional action by Congress.

² Dollar limit repealed for tax years beginning after August 29, 2008.

2009 Estate Tax Rate Schedule

| Taxable Estate | Tentative Tax Equals Base Tax of | Plus | Of Amount Over |
|---|---|-------------|-----------------------|
| 0 - \$10,000 | \$0 | 18% | \$0 |
| \$10,000 - \$20,000 | \$1,800 | 20% | \$10,000 |
| \$20,000 - \$40,000 | \$3,800 | 22% | \$20,000 |
| \$40,000 - \$60,000 | \$8,200 | 24% | \$40,000 |
| \$60,000 - \$80,000 | \$13,000 | 26% | \$60,000 |
| \$80,000 - \$100,000 | \$18,200 | 28% | \$80,000 |
| \$100,000 - \$150,000 | \$23,800 | 30% | \$100,000 |
| \$150,000 - \$250,000 | \$38,800 | 32% | \$150,000 |
| \$250,000 - \$500,000 | \$70,800 | 34% | \$250,000 |
| \$500,000 - \$750,000 | \$155,800 | 37% | \$500,000 |
| \$750,000 - \$1,000,000 | \$248,300 | 39% | \$750,000 |
| \$1,000,000 - \$1,250,000 | \$345,800 | 41% | \$1,000,000 |
| \$1,250,000 - \$1,500,000 | \$448,300 | 43% | \$1,250,000 |
| \$1,500,000----- | \$555,800 | 45% | \$1,500,000 |
| 2009 credit shelter amount \$3,500,000 | 2009 credit amount \$1,455,800 | | |

| Government Benefits | 2009 | 2010 |
|---|----------------------|----------------------|
| Social Security | | |
| Social Security Cost-of-living adjustment (COLA) | | |
| * For Social Security and Supplemental Security Income (SSI) beneficiaries | 5.80% | 0.00% |
| Tax rate | | |
| * FICA tax -- Employee | 7.65% | 7.65% |
| Social Security (OASDI) portion of tax | 6.20% | 6.20% |
| Medicare (HI) portion of tax | 1.45% | 1.45% |
| * Self-Employed | 15.30% | 15.30% |
| Social Security (OASDI) portion of tax | 12.40% | 12.40% |
| Medicare (HI) portion of tax | 2.90% | 2.90% |
| Maximum taxable earnings | | |
| * Social Security (OASDI only) | \$106,800 | \$106,800 |
| * Medicare (HI only) | No limit | No limit |
| Quarter of coverage | | |
| * Earnings required | \$1,090 | \$1,120 |
| Retirement earnings test--exempt amounts | | |
| * Under full retirement age | | |
| Benefits reduced by \$1 for each \$2 earned above: | | |
| Yearly figure | \$14,160 | \$14,160 |
| Monthly figure | \$1,180 | \$1,180 |
| * Year individual reaches full retirement age | | |
| Benefits reduced by \$1 for each \$3 earned above (applies only to earnings for months prior to attaining full retirement age): | | |
| Yearly figure | \$37,680 | \$37,680 |
| Monthly figure | \$3,140 | \$3,140 |
| * Beginning the month individual attains full retirement age | No limit on earnings | No limit on earnings |
| Social Security disability thresholds | | |
| * Substantial gainful activity (SGA): for the sighted (monthly figure) | \$980 | \$1,000 |
| * Substantial gainful activity: for the blind (monthly figure) | \$1,640 | \$1,640 |
| * Trial work period (TWP) (monthly figure) | \$700 | \$720 |
| SSI federal payment standard | | |
| * Individual (monthly figure) | \$674 | \$674 |
| * Couple (monthly figure) | \$1,011 | \$1,011 |
| SSI resource limits | | |
| * Individual | \$2,000 | \$2,000 |
| * Couple | \$3,000 | \$3,000 |
| SSI student exclusion limits | | |
| * Monthly limit | \$1,640 | \$1,640 |
| * Annual limit | \$6,600 | \$6,600 |

| Government Benefits | 2009 | 2010 |
|---|---------------------------------|----------------------|
| Maximum Social Security benefit | | |
| * Worker retiring at full retirement age (monthly figure) | \$2,323 | \$2,346 |
| Formula for Monthly Primary Insurance Amount (PIA) (90% of first X of AIME + 32% of the AIME over X and through Y + 15% of AIME over Y) | X=\$744 Y=\$4,483 | X=\$761 Y=\$4,586 |
| Medicare | | |
| Medicare monthly premium amounts | | |
| * Part A (hospital insurance) premium | | |
| Individuals with 40 or more quarters of Medicare-covered employment | \$0 | \$0 |
| Individuals with 30 to 39 quarters of Medicare-covered employment who are not otherwise eligible for premium-free hospital insurance | \$244 | \$254 |
| Individuals with less than 30 quarters of Medicare-covered employment who are not otherwise eligible for premium-free hospital insurance | \$443 | \$461 |
| * Part B (medical insurance) monthly premium | | |
| For beneficiaries who file an individual income tax return with income that is: | | |
| 2009 | 2010 | |
| Less than or equal to \$85,000 | Less than or equal to \$85,000 | \$96.40 |
| 85,000.01 - \$107,000 | \$85,000.01 - \$107,000 | \$134.90 |
| \$107,000.01 - \$160,000 | \$107,000.01 - \$160,000 | \$192.70 |
| \$160,000.01 - \$213,000 | \$160,000.01 - \$214,000 | \$250.50 |
| Greater than \$213,000 | Greater than \$214,000 | \$308.30 |
| For beneficiaries who file a joint income tax return with income that is: | | |
| 2009 | 2010 | |
| Less than or equal to \$170,000 | Less than or equal to \$170,000 | \$96.40 |
| \$170,000.01 - \$214,000 | \$170,000.01 - \$214,000 | \$134.90 |
| \$214,000.01 - \$320,000 | \$214,000.01 - \$320,000 | \$192.70 |
| \$320,000.01 - \$426,000 | \$320,000.01 - \$428,000 | \$250.50 |
| Greater than \$426,000 | Greater than \$428,000 | \$308.30 |
| For beneficiaries who are married, but file a separate tax return from their spouse and lived with spouse at some time during the taxable year with income that is: | | |
| 2009 | 2010 | |
| Less than or equal to \$85,000 | Less than or equal to \$85,000 | \$96.40 |
| \$85,000.01 - \$128,000 | \$85,000.01 - \$129,000 | \$250.50 |
| Greater than \$128,000 | Greater than \$129,000 | \$308.30 |

¹ Premium for beneficiaries who had the Social Security Administration withhold their Part B premium in 2009 is \$96.40; premium for all others is \$110.50.

| Government Benefits | 2009 | 2010 |
|---|--------------|--------------|
| Original Medicare plan deductible and coinsurance amounts | | |
| * Part A (hospital insurance) | | |
| Deductible per benefit period | \$1,068 | \$1,100 |
| Coinsurance per day for 61st to 90th day of each benefit period | \$267 | \$275 |
| Coinsurance per day for 91st to 150th day for each lifetime reserve day (total of 60 lifetime reserve days--nonrenewable) | \$534 | \$550 |
| * Skilled nursing facility coinsurance per day for 21st to 100th day of each benefit period | \$133.50 | \$137.50 |
| * Part B (medical insurance) annual deductible | | |
| Individual pays 20 percent of the Medicare-approved amount for services after deductible is met | \$135 | \$155 |
| Medicaid | | |
| Monthly income threshold for income-cap states ("300 percent cap limit") | \$2,022 | \$2,022 |
| Monthly maintenance needs allowance for at-home spouse | | |
| *Minimum ² | \$1,750.00 | \$1,822.00 |
| *Maximum | \$2,739.00 | \$2,739.00 |
| Spousal resource allowance | | |
| *Minimum | \$21,912.00 | \$21,912.00 |
| *Maximum | \$109,560.00 | \$109,560.00 |

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

| Retirement Planning | 2009 | 2010 |
|---|---|---|
| Employee/individual contribution limits | | |
| Elective deferral limits | | |
| * 401(k) plans, 403(b) plans, 457(b) plans, and SAR-SEPs ¹ (Includes Roth 401(k) and Roth 403(b) contributions) | Lesser of \$16,500 or 100% of participant's compensation | Lesser of \$16,500 or 100% of participant's compensation |
| * SIMPLE 401(k) plans and SIMPLE IRA plans ¹ | Lesser of \$11,500 or 100% of participant's compensation | Lesser of \$11,500 or 100% of participant's compensation |
| IRA contribution limits | | |
| *Traditional IRAs | Lesser of \$5,000 or 100% of earned income | Lesser of \$5,000 or 100% of earned income |
| *Roth IRAs | Lesser of \$5,000 or 100% of earned income | Lesser of \$5,000 or 100% of earned income |
| Additional "catch-up" limits (individuals age 50 or older) | | |
| * 401(k) plans, 403(b) plans, 457(b) plans, and SAR-SEPs ² | \$5,500 | \$5,500 |
| * SIMPLE 401(k) plans and SIMPLE IRA plans | \$2,500 | \$2,500 |
| * IRAs (traditional and Roth) | \$1,000 | \$1,000 |
| Employer contribution/benefit limits ³ | | |
| Defined benefit plan limits | | |
| *Annual contribution limit per participant | No predetermined limit. Contributions based on amount needed to fund promised benefits | No predetermined limit. Contributions based on amount needed to fund promised benefits |
| *Annual benefit limit per participant | Lesser of \$195,000 or 100% of average compensation for highest three consecutive years | Lesser of \$195,000 or 100% of average compensation for highest three consecutive years |

¹ Must aggregate employee contributions to all 401(k), 403(b), SAR-SEP, and SIMPLE plans of all employers. 457(b) plan contributions are not aggregated. For SAR-SEPs, the percentage limit is 25% of compensation reduced by elective deferrals (effectively, a 20% maximum contribution).

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

³ For self-employed individuals, compensation generally means earned income. This means that, for qualified plans, deductible contributions for a self-employed individual are limited to 20% of net earnings from self-employment (net profits minus self-employment tax deduction), and special rules apply in calculating the annual additions limit.

| Retirement Planning | 2009 | 2010 |
|---|---|---|
| Defined contribution plan limits (qualified plans, 403(b) plans, SEP, and SIMPLE plans) | | |
| *Annual addition limit per participant (employer contributions; employee pretax, after-tax, and Roth contributions; and forfeitures) (does not apply to SIMPLE IRA plans) | Lesser of \$49,000 or 100% (25% for SEP) of participant's compensation | Lesser of \$49,000 or 100% (25% for SEP) of participant's compensation |
| *Maximum tax-deductible employer contribution (not applicable to 403(b) plans) | 25% of total compensation of employees covered under the plan (20% if self employed) plus any employee pretax and Roth contributions; 100% for SIMPLE plans | 25% of total compensation of employees covered under the plan (20% if self employed) plus any employee pretax and Roth contributions; 100% for SIMPLE plans |
| Compensation limits/thresholds | | |
| Retirement plan compensation limits | | |
| *Maximum compensation per participant that can be used to calculate tax-deductible employer contribution (qualified plans and SEPs) | \$245,000 | \$245,000 |
| *Compensation threshold used to determine a highly-compensated employee | \$110,000 (when 2009 is the look-back year) | \$110,000 (when 2010 is the look-back year) |
| *Compensation threshold used to determine a key employee in a top-heavy plan | \$1 for more-than-5% owners \$160,000 for officers \$150,000 for more-than-1% owners | \$1 for more-than-5% owners \$160,000 for officers \$150,000 for more-than-1% owners |
| *Compensation threshold used to determine a qualifying employee under a SIMPLE plan | \$5,000 | \$5,000 |
| *Compensation threshold used to determine a qualifying employee under a SEP plan | \$550 | \$550 |
| Traditional deductible IRA income limits | | |
| *Income phase-out range for determining deductibility of traditional IRA contributions for taxpayers: | | |
| 1. Covered by an employer-sponsored plan and filing as: | | |
| Single | \$55,000-\$65,000 | \$56,000-\$66,000 |
| Married filing jointly | \$89,000-\$109,000 | \$89,000-\$109,000 |
| Married filing separately | \$0-\$10,000 | \$0-\$10,000 |
| 2. Not covered by an employer-sponsored retirement plan, but filing joint return with a spouse who is covered by an employer-sponsored retirement plan | \$166,000-\$176,000 | \$167,000-\$177,000 |
| Roth IRA income limits | | |
| *Income phase-out range for determining ability to fund Roth IRA for taxpayers filing as: | | |
| Single | \$105,000-\$120,000 | \$105,000-\$120,000 |
| Married filing jointly | \$166,000-\$176,000 | \$167,000-\$177,000 |
| Married filing separately | \$0-\$10,000 | \$0-\$10,000 |
| *Annual income limit for determining ability to convert traditional IRA to Roth IRA | \$100,000 | N/A |

| Investment Planning | 2009 | 2010 |
|---|-------------|-------------|
| Tax on long-term capital gains | | |
| Taxpayers in marginal tax brackets greater than 15% | 15% | 15% |
| Taxpayers in marginal tax brackets 15% or less | 0% | 0% |
| Tax on dividends | | |
| *Maximum tax rate on dividends received by an individual shareholder from domestic and qualified foreign corporations | | |
| Taxpayers in marginal tax brackets greater than 15% | 15% | 15% |
| Taxpayers in marginal tax brackets 15% or less | 0% | 0% |
| (Prior to 2003 Tax Act, dividends were taxed as ordinary income) | | |



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