

Fundamentals Inflation Adjusted Numbers

Fundamentals	2010	2011	Adjusted
EE Bond Phaseout to Exclude Interest Income			
• Single	\$70,100-\$85,100	\$71,100 - \$86,100	YES
• MFJ	\$105,100-\$135,100	\$106,650 - \$136,650	YES
• Limits	None	None	NO
Student Loan Interest Deduction			
• Single	\$60,000 - \$75,000	\$60,000 - \$75,000	NO
• MFJ	\$120,000 - \$150,000	\$120,000 - \$150,000	NO
• Limits	\$2,500	\$2,500	NO
Lifetime Learning Credit			
• Single	\$50,000 - \$60,000	\$51,000 - \$61,000	YES
• MFJ	\$100,000 - \$120,000	\$102,000 - \$122,000	YES
• Limits	\$2,000	\$2,000	NO
American Opportunity Credit			
• Single	\$80,000 - \$90,000	\$80,000 - \$90,000	NO
• MFJ	\$160,000 - \$180,000	\$160,000 - \$180,000	NO
• Limits	\$2,500	\$2,500	NO
• Benefit	100% of 1st \$2,000	100% of 1st \$2,000	NO
	25% of 2nd \$2,000	25% of 2nd \$2,000	NO
\$4,000 Higher Education Expense Deduction			
• Single (in 1,000s)	\$65	\$65	NO
• MFJ (in 1,000s)	\$130	\$130	NO
• Limits	\$4,000	\$4,000	NO
\$2,000 Higher Education Expense Deduction			
• Single (in 1,000s)	\$80	\$80	NO
• MFJ (in 1,000s)	\$160	\$160	NO
Coverdell Education Savings Account phaseout			
• Single	\$95,000 - \$110,000	\$95,000 - \$110,000	NO
• MFJ	\$190,000 - \$220,000	\$190,000 - \$220,000	NO
Employer Education Assistance	\$5,250	\$5,250	NO
ESA Contribution	\$2,000	\$2,000	NO
529 Savings Couple	\$130,000 (\$13,000 x 2 x 5)	\$130,000 (\$13,000 x 2 x 5)	NO
529 Savings Single	\$65,000 (\$13,000 x 5)	\$65,000 (\$13,000 x 5)	NO

Insurance Inflation Adjusted Numbers

Insurance	2010	2011	Adjusted
Medicare Part A Deductible / Per Benefit Period	\$1,100	\$1,132	YES
Medicare Coinsurance (Insured Pays)			
• for days 61-90 / benefit period	\$275 per day	\$283 per day	YES
• for days 91-150 (lifetime reserve period)	\$550 per day	\$566 per day	YES
Medicare Skilled Nursing Facility Coinsurance			
• for days 21-100 / benefit period	\$137.50 per day	\$142 per day	YES
Medicare Part B Premiums	*\$96.40/\$110.50 per month	*\$96.40/\$115.40 per month	YES
Medicare Part B Deductible	\$155 per year	\$162 per year	YES

* Medicare beneficiaries who had the SSA withhold their Part B premium during 2011 and who have incomes of \$85,000 or less (\$170,000 MFJ) will pay the same as 2011 (\$96.40). All others will start at \$115.40 and phase up to \$369.10 monthly (income > \$214,000 for single, > \$428,000 MFJ)

Long-Term Care Insurance Premium Deductibility			
Under 40	\$330	\$340	YES
40 - 49	\$620	\$640	YES
50 - 59	\$1,230	\$1,270	YES
60 - 69	\$3,290	\$3,390	YES
70 or older	\$4,110	\$4,240	YES
Qualified Per Diem under LTCi per Day	\$290	\$300	YES

Tax Inflation Adjusted Numbers

Tax	2010	2011	Adjusted
Election to Expense Assets (Section 179)	\$134,000	\$500,000	YES
Annual limitations	\$530,000	\$2,000,000	YES
Kiddie Tax			
• Unearned income above this amount is taxed at the parents rate	\$1,900	\$1,900	NO
Taxable Income Tax Credits			
Phase-out of credit begins when earned income (or AGI) exceeds this amount with one qualifying child	21,460 (MFJ)	\$21,770 (MFJ)	YES
Credit amount equals 7.65% x earned income up to this amount	\$5,970	\$6,070	YES
Phase-out of credit begins when earned income (or AGI) exceeds this amount with no children	12,490 (MFJ)	\$12,670 (MFJ)	YES
Personal & Dependency Exemptions-Basic Standard Deduction			
• Single	\$5,700	\$5,800	YES
• MFJ	\$11,400	\$11,600	YES
• QW (er)	\$11,400	\$11,600	YES
• HH	\$8,400	\$8,500	YES
• MFS	\$5,700	\$5,800	YES
Personal & Dependency Exemptions-Additional Standard Deduction			
• Single	\$1,400	\$1,450	YES
• MFJ	\$1,100	\$1,150	YES
• QW (er)	\$1,100	\$1,150	YES
• HH	\$1,400	\$1,450	YES
• MFS	\$1,100	\$1,150	YES
Gross Income Personal Exemption	\$3,650	\$3,700	YES
Taxpayer's AGI Threshold Amounts:			
• Single	N/A	N/A	NO
• MFJ	N/A	N/A	NO
• HH	N/A	N/A	NO
• MFS	N/A	N/A	NO
Social Security Retirement Benefits Taxability			
1st Hurdle All Others	\$25,000	\$25,000	NO
1st Hurdle MFJ	\$32,000	\$32,000	NO
2nd Hurdle All Others	\$34,000	\$34,000	NO
2nd Hurdle MFJ	\$44,000	\$44,000	NO
Capital Loss	\$3,000	\$3,000	NO
AOTC MFJ	\$160,000 to \$180,000	\$160,000 to \$180,000	NO
AOTC Other	\$80,000 to \$90,000	\$80,000 to \$90,000	NO
Child Tax Credit	\$1,000	\$1,000	NO
Child Tax Credit Phased Out By	\$50	\$50	NO
Child Tax Credit Phased Out For Each	\$1,000	\$1,000	NO
Child & Dependent Costs 2 Or More	\$6,000	\$6,000	NO
Child & Dependent Costs Individual	\$3,000	\$3,000	NO
Child & Dependent Credit Amount %	20% to 35%	20% to 35%	NO
Dependent Care Exclusion	\$5,000	\$5,000	NO
Dependent SD	\$950	\$950	NO
Dependent SD Plus Earned Income	\$300	\$300	NO
Earned Income Cap	\$5,970	\$5,970	NO
Educational Assistance Program Exclusion	\$5,250	\$5,250	NO
Gain on Sale of Personal Res. MFJ	\$500,000	\$500,000	NO
Gain on Sale of Personal Res. S	\$250,000	\$250,000	NO
Kiddie Tax SD For Unearned Income	\$950	\$950	NO
Kiddie Tax Taxed Income	\$950	\$950	NO
LLC Max Credit Up To	\$10,000	\$10,000	NO
LLC Max Credit %	20%	20%	NO
Moving Expenses - Current	\$0.165	\$0.190	YES
Passive Activity AGI Exceeds	\$100,000	\$100,000	NO
Passive Activity Completely Phased Out	\$150,000	\$150,000	NO
Real Estate Loss Ordinary Income	\$25,000	\$25,000	NO
Residence Exclusion Married	\$500,000	\$500,000	NO
Residence Exclusion Single	\$250,000	\$250,000	NO
Res. Rental Loss Phase Out High	\$150,000	\$150,000	NO
Res. Rental Loss Phase Out Low	\$100,000	\$100,000	NO
SD Over 65/Blind All Others	\$1,100	\$1,150	YES
SD Over 65/Blind Single Not Married/Widow	\$1,400	\$1,450	YES
Small Business Stock Ded. Married	\$100,000	\$100,000	NO
Small Business Stock Ded. Single	\$50,000	\$50,000	NO
Sole Proprietorship SS Portion	\$106,800	\$106,800	NO
Student Loan Interest Deduction	\$2,500	\$2,500	NO
Taxation Of Group Term Ins	\$50,000	\$50,000	NO
Foreign Earned Income Exclusion		\$92,900	YES
AMT exemption for children subject to kiddie tax is = Earned Income +		\$6,800	YES

Retirement Inflation Adjusted Numbers

Retirement	2010	2011	Adjusted
Defined Benefit Maximum Limit	\$195,000	\$195,000	NO
Defined Contribution Plan Maximum Limit:			
• Dollars	\$49,000	\$49,000	NO
• Percentage - EmployEE's Compensation	100%	100%	NO
SEP Max Limit:			
• Dollars	\$49,000	\$49,000	NO
• Percentage - EmployEE's Compensation	25%	25%	NO
SEP Earnings Eligibility - 408 (k)(2)(c)	\$550	\$550	NO
401(k), SARSEP, 457, 403(b) Employee Deferral Limit	\$16,500	\$16,500	NO
IRA Contribution Limit	\$5,000	\$5,000	NO
SIMPLE Employee Deferral Limit	\$11,500	\$11,500	NO
Catch-Up Provision (age 50 and older):			
• IRA Catch-up Contribution	\$1,000	\$1,000	NO
• 401 (k), SARSEP, 457, 403(b)	\$5,500	\$5,500	NO
• SIMPLE	\$2,500	\$2,500	NO
Highly Compensated Employee-414(g)	\$110,000	\$110,000	NO
Key Employee-416(i)	\$160,000	\$160,000	NO
Covered Compensation for Qualified Plans	\$245,000	\$245,000	NO
Traditional IRA Contribution Phaseouts:			
• MFJ-One spouse is active participant	\$167,000 - \$177,000	\$169,000 - \$179,000	YES
• MFJ-Taxpayer is active participant	\$89,000 - \$109,000	\$90,000 - \$110,000	YES
• Single-Taxpayer is active participant	\$56,000 - \$66,000	\$56,000 - \$66,000	NO
• MFS	\$0 - \$10,000	\$0 - \$10,000	NO
Roth IRA Contribution Phaseouts:			
• MFJ	\$167,000 - \$177,000	\$169,000 - \$179,000	YES
• Single	\$105,000 - \$120,000	\$107,000 - \$122,000	YES
• MFS	\$0 - \$10,000	\$0 - \$10,000	NO
Converting Traditional IRA to Roth IRA Maximum MAGI:			
• Single, HH, MFJ	N/A	N/A	NO
• MFS	N/A	N/A	NO
Fringe Benefits			
Qualified Parking Exclusion	\$230	\$230	NO
Transit Pass Exclusion	\$230	\$230	NO
Adoption Assistance	\$12,170	\$13,360	YES
Adoption Assistance AGI Phaseout	\$182,520 - \$222,520	\$185,210 - \$225,210	YES
Social Security			
Maximum Earnings Taxable	\$106,800	\$106,800	NO
One Quarter of Coverage (up to 4 per year)	\$1,120	\$1,120	NO
Retirement Earnings Limit:			
• Under full retirement age	\$14,160	\$14,160	NO
• Year reaching full retirement age	\$37,680	\$37,680	NO
Social Security Disability Thresholds:			
• Maximum Earnings-Blind (monthly)	\$1,640	\$1,640	NO
• Maximum Earnings-Nonblind (monthly)	\$1,000	\$1,000	NO
Maximum Monthly Social Security Benefit	\$2,346	\$2,392	YES
PBGC Limit (monthly)	\$4,500.00	\$4,500.00	NO
Achievement Awards:Nonqualified	\$400	\$400	NO
Achievement Awards:Qualified	\$1,600	\$1,600	NO
Business Miles Expense	\$0.500	\$0.510	YES
Dependent Care Assistance	\$5,000	\$5,000	NO
Educational Assistance	\$5,250	\$5,250	NO
ESOP Account Balance	\$985,000	\$985,000	NO
Group Term	\$50,000	\$50,000	NO
Highly Compensated S/B (must be higher than HC amount)	\$125,000	\$125,000	NO
HSA Catch Up	\$1,000	\$1,000	NO
HSA Contribution Max Family	\$6,150	\$6,150	NO
HSA Contribution Max Single	\$3,050	\$3,050	NO
HSA Health Ins Ded Family	\$2,400	\$2,400	NO
HSA Health Ins Ded Single	\$1,200	\$1,200	NO
HSA Out of Pocket Max Family	\$11,900	\$11,900	NO
HSA Out of Pocket Max Single	\$5,950	\$5,950	NO
Key EE Great than 1	\$150,000	\$150,000	NO
Limit on Company's Deduction for Compensation	\$1,000,000	\$1,000,000	NO
Moving Expenses	\$0.165	\$0.190	YES
MSA Health Ins Ded Family	\$4,000 - \$6,050	\$4,100 - \$6,150	YES
MSA Health Ins Ded. Single	\$2,000 - \$3,000	\$2,050 - \$3,050	YES
MSA Max Out of Pocket Family	\$7,350	\$7,500	YES
MSA Max Out of Pocket Single	\$4,000	\$4,100	YES
PBGC Plan Part per Year	\$35	\$35	NO
PBGC Yearly Benefit at age 65	\$54,000	\$54,000	NO
Profit Sharing Contribution Limit	\$49,000	\$49,000	NO
Profit Sharing Contribution Limit Over 50	\$54,500	\$54,500	NO
Saver's Credit			
Married Filing Jointly	\$55,500	\$56,500	YES
Head of Household	\$41,625	\$42,375	YES
Single and Married Filing Separately	\$27,750	\$28,250	YES

Estate Planning Inflation Adjusted Numbers

Estate Planning	2010	2011	Adjusted
Annual Gift Tax Exclusion	\$13,000	\$13,000	NO
Annual Gift Tax Exclusion to a Noncitizen Spouse	\$134,000	\$136,000	YES
Applicable Exclusion Amount:			
• Gift Tax	\$1,000,000	\$5,000,000	YES
• Estate Tax	N/A	\$5,000,000	YES
Applicable Credit Amount:			
• Gift Tax	\$330,800	\$1,730,800	YES
• Estate Tax	N/A	\$1,730,800	YES
Maximum Estate and Gift Tax Rate	35%	35%	NO
GSTT Exclusion Amount	N/A	\$5,000,000	YES
Estate Installments	N/A	\$1,360,000	YES
Special Use Valuation	N/A	\$1,020,000	YES
Applicable Credit Equiv. Amount	Repealed	\$1,730,800	YES
Dividend Income Tax Rate	15%	15%	NO
Sec 2032A Value decrease max		\$1,020,000	YES