

2009 tax rates, schedules, and contribution limits

INCOME TAX				
	If taxable income is		The tax is	Amount
	over	but not over		over
Married/filing jointly and qualifying widow(er)s	\$ 0	\$ 16,700	\$ 0.00 + 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
Single	\$ 0	\$ 8,350	\$ 0.00 + 10%	\$ 0
	8,350	33,950	835.00 + 15%	8,350
	33,950	82,250	4,675.00 + 25%	33,950
	82,250	171,550	16,750.00 + 28%	82,250
	171,550	372,950	41,754.00 + 33%	171,550
	372,950	—	108,216.00 + 35%	372,950
Estates and trusts	\$ 0	\$ 2,300	\$ 0.00 + 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

CORPORATE TAX				
	If taxable income is		The tax is	Amount
	over	but not over		over
\$ 0	\$ 50,000	\$ 0.00 + 15%	\$ 0	
50,000	75,000	7,500.00 + 25%	50,000	
75,000	100,000	13,750.00 + 34%	75,000	
100,000	335,000	22,250.00 + 39%	100,000	
335,000	10,000,000	113,900.00 + 34%	335,000	
10,000,000	15,000,000	3,400,000.00 + 35%	10,000,000	
15,000,000	18,333,333	5,150,000.00 + 38%	15,000,000	
18,333,333	—	35%	0	

EMPLOYER RETIREMENT PLANS	
Maximum elective deferral to retirement plans, e.g., 401(k), 403(b)	\$ 16,500
Catch-up contribution limit for 401(k), 403(b), and 457 plans	5,500
Maximum elective deferral to SIMPLE IRA plans	11,500
Catch-up contribution limit for SIMPLE plans	2,500
Maximum elective deferral to 457 plans of gov't and tax-exempt employers	16,500
Limit on annual additions to defined contribution plans	49,000
Annual compensation threshold requiring SEP contribution	550
Limit on annual additions to SEP plans	49,000
Maximum annual compensation taken into account for contributions	245,000
Annual benefit limit under defined benefit plans	195,000
Limitation used in definition of highly compensated employee	110,000

Source: IRS and Social Security Administration update, 2008.

CAPITAL GAINS TAX		
Tax bracket	Short-term <12 months	Long-term >12 months
10%, 15% brackets	Ordinary rate	0%
Other	Ordinary rate	15%

TAX ON QUALIFIED DIVIDENDS	
Tax bracket	Tax
10%, 15% brackets	0%
Other	15%

KIDDIE TAX (under age 19* with unearned income)		
First	\$ 950	No tax
Next	950	10% tax
Unearned income over	1,900	Parents' rate

* Under age 24 if a full-time student whose earned income does not exceed half of his or her own support for the year.

CHILD TAX CREDIT
\$1,000 per child; phases out \$50 for each \$1,000 of modified AGI over \$110,000 (married/filing jointly) or \$75,000 (single)

STANDARD DEDUCTIONS		
	Annual	Additional age 65+ or blind
Married/Filing jointly and qualifying widow(er)s	\$11,400	\$1,100
Single	\$5,700	\$1,400

PHASEOUT OF ITEMIZED DEDUCTIONS
Reduction applies if taxpayer's AGI in excess of \$166,800
Reduction limited to 1/3 of 80% of allowable deductions; does not affect investment interest, medical, or casualty losses

PERSONAL EXEMPTIONS		
	Exemption	AGI threshold/upper limit
Married/Filing jointly and qualifying widow(er)s	\$3,650	\$250,700/\$372,700
Single	\$3,650	\$166,800/\$289,300

MAXIMUM QUALIFIED LONG-TERM-CARE INSURANCE PREMIUMS ELIGIBLE FOR DEDUCTION					
Age	40 or less	>40, ≤50	>50, ≤60	>60, ≤70	Over 70
2009	\$320	\$600	\$1,190	\$3,180	\$3,980

Qual. LTC contract per diem limit: \$280.

TRADITIONAL IRAs

Maximum annual contribution (must be under age 70½)
 Lesser of earned income or \$5,000
 Up to \$5,000 contribution can also be made for nonworking spouse
 Catch-up contributions (Taxpayers age 50 and over): \$1,000

TRADITIONAL IRA DEDUCTIBILITY RULE

Filing status	Covered by employer's retirement plan?	Modified AGI 2008	Modified AGI 2009	Deductibility
Single	No	Any amount	Any amount	Full
	Yes	\$53,000 or less	\$55,000 or less	Full
	Yes	\$53,001–\$63,000	\$55,001–\$65,000	Partial
	Yes	\$63,001 or more	\$65,001 or more	None
Married/ Jointly	Neither spouse covered	Any amount	Any amount	Full
	Both spouses covered	\$85,000 or less	\$89,000 or less	Full
Jointly	covered	\$85,001–\$105,000	\$89,001–\$109,000	Partial
		\$105,001 or more	\$109,001 or more	None
Married/ Jointly	One spouse covered for covered spouse	\$85,000 or less	\$89,000 or less	Full
		\$85,001–\$105,000	\$89,001–\$109,000	Partial
Jointly	covered for non-covered spouse	\$105,001 or more	\$109,001 or more	None
		\$159,000 or less	\$166,000 or less	Full
Married/ Jointly	One spouse covered for non-covered spouse	\$159,001–\$169,000	\$166,001–\$176,000	Partial
		\$169,001 or more	\$176,001 or more	None

ROTH IRAs

Maximum annual contribution
 Lesser of earned income or \$5,000
 Up to \$5,000 contribution can also be made for nonworking spouse
 Catch-up contributions (Taxpayers age 50 and over): \$1,000

Contribution eligibility
 AGI is not more than \$105,000 (single) or \$166,000 (married); phaseouts apply if AGI is \$105,001–\$120,000 (single) or \$166,001–\$176,000 (married)

Deductibility
 Contributions to Roth IRAs are not deductible

BASE AMOUNT OF MODIFIED AGI CAUSING SOCIAL SECURITY BENEFITS TO BE TAXABLE

	50% taxable	85% taxable
Married/Filing jointly	\$32,000	\$44,000
Single	\$25,000	\$34,000

MAXIMUM EARNINGS BEFORE SOCIAL SECURITY BENEFITS ARE REDUCED

Under full retirement age (\$1 withheld for every \$2 above limit)	\$14,600
Full retirement age and over	No limit*

* Interim limit applies for months prior to attaining full retirement age during year individual reaches full retirement age.

This information is general in nature and is not meant as tax or legal advice. Tax laws are subject to change. Please consult your legal or tax advisor.

PUTNAM INVESTMENTS

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MAXIMUM COMPENSATION SUBJECT TO FICA TAXES

OASDI (Soc. Sec.) maximum	\$106,800
HI (Medicare) maximum	No limit

OASDI and HI tax rate: 15.3%, self-employed; 7.65%, employees.

DEATH/GIFTS OCCURRING IN 2009

(subtract applicable credit from calculated tax)

If gross estate is:		The tax is		Of the amount over
Over	But not over			
\$ 0	\$ 10,000	\$ 0.00	+ 18%	\$ 0
10,000	20,000	1,800.00	+ 20%	10,000
20,000	40,000	3,800.00	+ 22%	20,000
40,000	60,000	8,200.00	+ 24%	40,000
60,000	80,000	13,000.00	+ 26%	60,000
80,000	100,000	18,200.00	+ 28%	80,000
100,000	150,000	23,800.00	+ 30%	100,000
150,000	250,000	38,800.00	+ 32%	150,000
250,000	500,000	70,800.00	+ 34%	250,000
500,000	750,000	155,800.00	+ 37%	500,000
750,000	1,000,000	248,300.00	+ 39%	750,000
1,000,000	1,250,000	345,800.00	+ 41%	1,000,000
1,250,000	1,500,000	448,300.00	+ 43%	1,250,000
1,500,000	—	555,800.00	+ 45%	1,500,000

Annual Gift Tax exclusion (2009): Individual, \$13,000; Married electing split gifts, \$26,000.
 GST Tax Exemption (2009): \$3,500,000.

ESTATE EXCLUSIONS

Amount	Applicable credit
\$3,500,000	\$1,455,800

MODIFIED AGI PHASEOUTS FOR HOPE AND LIFETIME LEARNING CREDITS

Married/Filing jointly	\$100,000–\$120,000
Others	\$50,000–\$60,000

MODIFIED AGI PHASEOUTS FOR EXCLUSION OF U.S. SAVINGS BOND INCOME

Married/Filing jointly	\$104,900–\$134,900
Others	\$69,950–\$84,950

MODIFIED AGI PHASEOUTS FOR CONTRIBUTIONS TO COVERDELL EDUCATION SAVINGS ACCOUNTS

Maximum Contribution: \$2,000 per beneficiary, per year

Married/Filing jointly	\$190,000–\$220,000
Single	\$95,000–\$110,000