



2010 ANNUAL LIMITS RELATING TO FINANCIAL PLANNING

Compiled by College for Financial Planning faculty members Sam Van Why, MA, CLU, ChFC, and Michael B. Cates, MS, CFP®, ATP.

Retirement Plans	
Elective deferrals 401(k), 403(b), 457, and SARSEPs	\$16,500
Catch-up contribution	\$5,500
Defined contribution (§415(c)(1)(A))	\$49,000
Defined benefit (§415(b)(1)(A))	\$195,000
SIMPLE plan	\$11,500
SIMPLE catch-up contribution	\$2,500
Maximum includible compensation	\$245,000
Highly compensated employee (§414(q))	\$110,000
Key employee (top-heavy plan)	>\$160,000
SEP participation limit	\$550
IRA or Roth IRA contribution limit	\$5,000
IRA or Roth IRA catch-up	\$1,000
IRA deduction phaseout for active participants	
Single	\$56-\$66,000
Married filing jointly ¹	\$89-\$109,000
Married filing separately	\$0-\$10,000
Spousal IRA	\$167-\$177,000
Roth IRA phaseout	
Single	\$105-\$120,000
Married filing jointly	\$167-\$177,000

Social Security	
SS wage base	\$106,800
FICA tax rate—employee ⁴	7.65%
SECA tax rate—self-employed	15.30%
Earnings limitation:	
Below FRA (\$1 for \$2)	\$14,160
Persons reaching FRA (\$1 for \$3)	\$37,680
(Applies only to earnings for months prior to attaining FRA)	
Social Security cost-of-living adjustment	0%
Quarter of coverage	\$1,120
Maximum benefit: worker retiring at FRA ^{*See Figure I}	\$2,346
Estimated average monthly benefit	\$1,161

Estate and Gift Tax	
Annual gift tax exclusion	\$13,000
Estate tax exclusion ⁵	\$3,500,000
Gift tax exclusion	\$1,000,000
Generation skipping exemption ⁵	\$3,500,000
Maximum estate tax rate ⁵	45%

Standard Mileage Rates	
Business use (2009)	55¢ per mile
Charitable use (not indexed)	14¢ per mile
Medical or moving use	24¢ per mile

Medicare	
Monthly premium:	
Part A ²	\$461.00
Part B ³ ^{*Also see Figure II}	\$96.40/\$110.50
Part A:	
First 60 days—patient pays a deductible	\$1,100
Next 30 days—patient pays per day	\$275
Next 60 days (lifetime reserve days) patient pays per day	\$550
Skilled nursing benefits	
First 20 days—patient pays per day	-0-
Next 80 days—patient pays per day	\$137.50
Over 100 days—patient pays per day	All costs
Part B:	
Deductible	\$155
Coinsurance	20%
Part D (Prescription Benefit):	
Deductible	\$310
25% coinsurance on next	\$2,830
Gap	\$3,610
Beneficiary then pays coinsurance amount for additional covered expenses.	

Year of Birth	Social Security FRA
1941	65 and 8 months
1942	65 and 10 months
1943–54	66
1955	66 and 2 months
1956	66 and 4 months
1957	66 and 6 months
1958	66 and 8 months
1959	66 and 10 months
1960 and later	67

You Pay	If your yearly income is	
	Single	Married Couple
\$96.40/\$110.50	\$85,000 or less	\$170,000 or less
\$154.70	\$85,001–\$107,000	\$170,001–\$214,000
\$221.00	\$107,001–\$160,000	\$214,001–\$320,000
\$287.30	\$160,001–\$213,000	\$320,001–\$426,000
\$353.60	Above \$213,000	Above \$426,000

You Pay	If you are married but you file a separate tax return from your spouse and your yearly income is	
\$110.50	\$85,000 or less	
\$287.30	\$85,001–\$128,000	
\$353.60	Above \$128,000	

- For married couples who file a joint return and only one is an active participant, the AGI phaseout for the non-active participant spouse is \$166,000–\$176,000
- The Part A premium of \$461.00 per month applies to persons who have fewer than 30 quarters of coverage under Social Security. For those having 30–39 quarters, the Part A Premium is \$254.00 per month.
- Medicare Part B Premium (2010) Medicare beneficiaries who had the Social Security Administration withhold their Part B premium during 2009 and who have incomes of \$85,000 or less (or \$170,000 or less for joint filers) will not have an increase in their Part B premium in 2010. For all others, there is a 15% increase in the rates - See Figure II.
- The FICA tax rate is comprised of two separate payroll taxes: 6.20% for Old-Age, Survivors, and Disability Insurance (OASDI), and 1.45% for Hospital Insurance (HI); for self-employed, the SECA is 12.40% for OASDI and 2.90% for HI.
- These are 2009 amounts. Estate and GSTT taxes are currently scheduled for repeal in 2010. Congress is expected to eliminate the repeal and either extend 2009 numbers through 2010, or legislate different numbers.

Miscellaneous Items	
PBGC maximum monthly benefit (at age 65)	\$4,500
Archer Medical Savings Account	
Single high deductible	\$2,000-\$3,000
Family high deductible	\$4,050-\$6,050
Single out-of-pocket maximum	\$4,050
Family out-of-pocket maximum	\$7,400
LTC per diem limit	
	\$290
LTC premium as medical expense limitation	
Age 40 or less	\$330
Age 41-50	\$620
Age 51-60	\$1,230
Age 61-70	\$3,290
Age 71 or older	\$4,110
Qualified Transportation Fringes (monthly)	
Commuter highway vehicle/transit pass	\$230
Qualified parking	\$230

2010 Tax Rate Schedules				
If Taxable Income Is		Then the Gross Tax Payable Is:		
Over	But Not Over	Amount	Plus (percent)	Of the Amount Over
Single Taxpayers (other than surviving spouses and heads of households)				
\$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 Individuals (and surviving spouses) Filing Joint Returns				
\$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
Heads of Households				
\$0-	\$11,950	\$0	10%	\$0
11,950-	45,550	1,195.00	15%	11,950
45,550-	117,650	6,235.00	25%	45,550
117,650-	190,550	24,260.00	28%	117,650
190,550-	373,650	44,672.00	33%	190,550
373,650-		105,095.50	35%	373,650
Married Individuals Filing Separate Returns				
\$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
Fiduciary (estates and trusts) Taxpayers				
\$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

Health Savings Account	
Minimum Deductible Amount	
Single	\$1,200
Family	\$2,400
Maximum Out-of-Pocket Amount	
Single	\$5,950
Family	\$11,900
HSA Statutory Contribution Maximum	
Single	\$3,050
Family	\$6,150
Catch-Up Contributions (age 55 or older)	\$1,000

Education	
EE bonds for education—exclusion phaseout	
Single	\$70,100-\$85,100
Married filing jointly	\$105,100-\$135,100
Coverdell Education Savings Account phaseout	
Single	\$95-\$110,000
Married filing jointly	\$190-\$220,000
Lifetime Learning Credit—20% of qualified expenses up to \$10,000	
Single	\$50-\$60,000
Married filing jointly	\$100-\$120,000
American Opportunity tax credit—Maximum of \$2,500	
100% up to \$2,000 of qualified expenses	
25% on next \$2,000—phaseout:	
Single	\$80-\$90,000
Married filing jointly	\$160-\$180,000
Education loan deduction (\$2,500) phaseout	
Unmarried	\$60-\$75,000
Married filing jointly	\$120-\$150,000
\$4,000 higher education expense deduction (likely to be extended through 2010)	
Unmarried AGI cutoff	\$65,000
Married filing jointly AGI cutoff	\$130,000
\$2,000 higher education expense deduction (likely to be extended through 2010)	
Unmarried AGI cutoff	\$80,000
Married filing jointly AGI cutoff	\$160,000

Income Tax Exemption & Deductions	
Personal exemption	\$3,650
There is no phaseout of personal exemptions for 2010.	
Standard deduction	
Single	\$5,700
Joint	\$11,400
Head of household	\$8,400
Married—filing separately	\$5,700
Kiddie tax limited standard deduction	\$950
Individual eligible to be claimed as dependent—greater of \$950 or earned income plus \$300, not to exceed full standard deduction of \$5,700.	
Elderly or blind additional deduction	
Single	\$1,400
Married	\$1,100
There is no phaseout of itemized deductions for 2010.	
Section 179	
Maximum election	\$134,000
Phaseout begins	\$530,000
Adoption credit	
Maximum	\$12,170
Phaseout	\$182,520-\$222,520

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