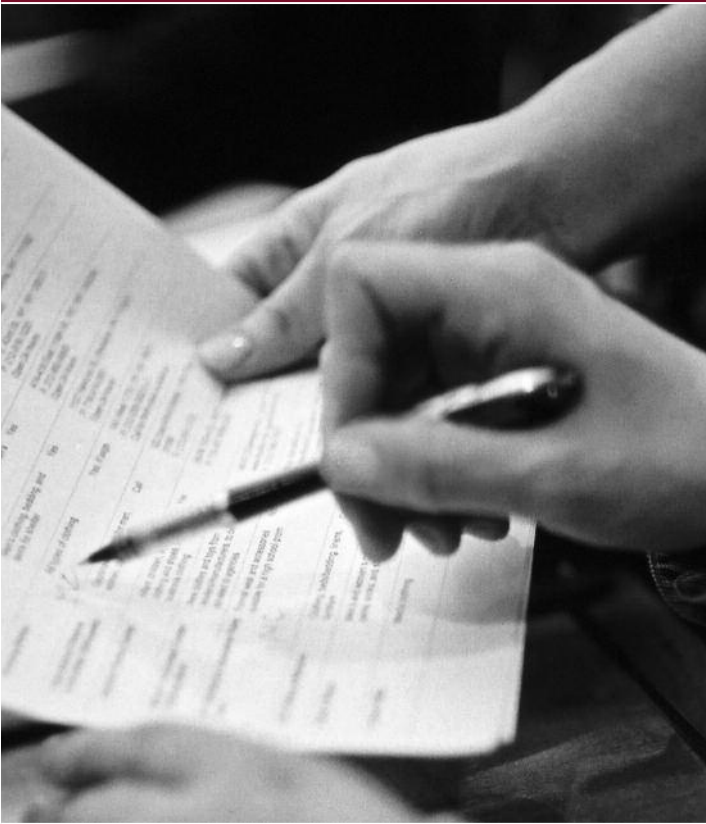


*John Hancock*

LIFE INSURANCE

## 2009 Fingertip Tax Guide



# 2009 Fingertip Tax Guide

## INCOME TAXES

2008			
<i>If Taxable Income Is:</i>			
Over	But Not Over	The Tax Is	Of the Amount Over
<b>Married Filing Jointly:</b>			
0	\$16,050	\$0 + 10%	\$0
\$16,050	\$65,100	\$1,605 + 15%	\$16,050
\$65,100	\$131,450	\$8,962.50 + 25%	\$65,100
\$131,450	\$200,300	\$25,550 + 28%	\$131,450
\$200,300	\$357,700	\$44,828 + 33%	\$200,300
\$357,700	And Over	\$96,770 + 35%	\$357,700
<b>Single:</b>			
\$0	\$8,025	\$0 + 10%	\$0
\$8,025	\$32,550	\$802.50 + 15%	\$8,025
\$32,550	\$78,850	\$4,481.25 + 25%	\$32,550
\$78,850	\$164,550	\$16,056.25 + 28%	\$78,850
\$164,550	\$357,700	\$40,052.25 + 33%	\$164,550
\$357,700	And Over	\$103,791.75 + 35%	\$357,700
<b>Estates and Trusts:</b>			
\$0	\$2,200	\$0 + 15%	\$0
\$2,200	\$5,150	\$330 + 25%	\$2,200
\$5,150	\$7,850	\$1,067.50 + 28%	\$5,150
\$7,850	\$10,700	\$1,823.50 + 33%	\$7,850
\$10,700	And Over	\$2,764 + 35%	\$10,700

2009			
<i>If Taxable Income Is:</i>			
Over	But Not Over	The Tax Is	Of the Amount Over
<b>Married Filing Jointly:</b>			
\$0	\$16,700	\$0 + 10%	\$0
\$16,700	\$67,900	\$1,670 + 15%	\$16,700
\$67,900	\$137,050	\$9,350 + 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	And Over	\$100,894.50 + 35%	\$372,950
<b>Single:</b>			
\$0	\$8,350	\$0 + 10%	\$0
\$8,350	\$33,950	\$835 + 15%	\$8,350
\$33,950	\$82,250	\$4,675 + 25%	\$33,950
\$82,250	\$171,550	\$16,750 + 28%	\$82,250
\$171,550	\$372,950	\$41,754 + 33%	\$171,550
\$372,950	And Over	\$108,216 + 35%	\$372,950
<b>Estates and Trusts:</b>			
\$0	\$2,300	\$0 + 15%	\$0
\$2,300	\$5,350	\$345 + 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	And Over	\$2,879 + 35%	\$11,150

KIDDIE TAX (UNDER AGE 19 WITH UNEARNED INCOME) <sup>1</sup>	2008	2009	INCOME TAX BRACKET
First	\$900	\$950	No Tax
Next	\$900	\$950	Child's Bracket
Amounts Over	\$1,800	\$1,900	Parents' Bracket

STANDARD DEDUCTIONS	2008	2009
Married Filing Jointly	\$10,900	\$11,400
Single	\$5,450	\$5,700
Married Filing Separately	\$5,450	\$5,700

AGI ITEMIZED DEDUCTION PHASE-OUT	2008	2009
All Filings Other Than Married Filing Separately	\$159,950	\$166,800
Married Filing Separately	\$79,975	\$83,400

1. The Small Business and Work Opportunity Act of 2008 changed the "kiddie tax" age to include children ages 18 and under. In addition, under the new rules, the kiddie tax applies to children ages 19–24 who are: 1) full-time students, 2) whose earned income does not exceed one-half of their support, and 3) who do not file a joint tax return.

PERSONAL EXEMPTIONS	2008	2009
Personal Exemption	\$3,500	\$3,650
Phase-Out Income Range:		
Single	\$159,950 – \$282,450	\$166,800 – \$289,300
Married Filing Jointly	\$239,950 – \$362,450	\$250,200 – \$372,700
Married Filing Separately	\$119,975 – \$181,225	\$125,100 – \$186,350

QUALIFIED PLANS	2008	2009
Maximum elective deferral to retirement plans (e.g., 401(k), 403(b) & 457(b) plans) <sup>2</sup>	\$15,500	\$16,500
401(k) age 50+ catch-up contribution limit	\$5,000	\$5,500
Maximum IRA contribution limit	\$5,000	\$5,000
IRA age 50+ catch-up contribution limit	\$1,000	\$1,000
Maximum elective deferral to SIMPLE plan	\$10,500	\$11,500
SIMPLE plan age 50+ catch-up contribution limit	\$2,500	\$2,500
Annual includable compensation limit	\$230,000	\$245,000
Defined contribution plan annual addition limit	\$46,000	\$49,000
Highly compensated employee compensation limit	\$105,000	\$110,000
Annual retirement benefit limit under defined benefit plans (not to exceed 100% of compensation)	\$185,000	\$195,000

ROTH IRA INCOME LIMITS	2008	2009
Married Filing Jointly	\$159,000 – \$169,000	\$166,000 – \$169,000
Single or Married Filing Separately <sup>3</sup>	\$101,000 – \$116,000	\$105,000 – \$116,000

CAPITAL GAINS TAX	2008	2009
Rate on gains for assets held:	More than 12 months	More than 12 months
15% income tax bracket or below	0%	0%
25% income tax bracket or above	15%	15%

### CORPORATIONS (FOR ALL TAX YEARS SINCE 1993)

If Taxable Income Is:

Over	But Not Over	The Tax Is	Of the Amount Over
\$0	\$50,000	\$0 + 15%	\$0
\$50,000	\$75,000	\$7,500 + 25%	\$50,000
\$75,000	\$100,000	\$13,750 + 34%	\$75,000
\$100,000	\$335,000	\$22,250 + 39%	\$100,000
\$335,000	\$10,000,000	\$113,900 + 34%	\$335,000
\$10,000,000	\$15,000,000	\$3,400,000 + 35%	\$10,000,000
\$15,000,000	\$18,333,333	\$5,150,000 + 38%	\$15,000,000
\$18,333,333	And Over	\$6,416,667 + 35%	\$18,333,333

2. The contribution limit is the same for regular and Roth 401(k) plans; a total of \$16,500 can be contributed in 2009 to one or both types of 401(k) plans.

3. The income eligibility for taxpayers who are married filing separately only applies if the individual taxpayer contributing to the IRA did not live with his/her spouse at any time during the year. If they did live together at any time during the year, then the taxpayer's adjusted gross income (AGI) must be \$10,000 or less to contribute to a Roth IRA. See IRS Publication 590.

## ESTATE & GIFT TAXES 2009

Subtract applicable estate tax exemption (below) to calculate estate tax.

Estate and Generation-Skipping Transfer Tax Exemption 2009: \$3,500,000

If Taxable Estate Is:

Over	But Not Over	The Tax Is	Of the Amount Over	
\$0	\$10,000	\$0 + 18%	\$0	<b>Gift Tax Exemptions for 2009</b> <b>Annual Gift Tax Exclusion:</b> Individual donor may gift \$13,000 per donee <b>Gift Tax Exemption:</b> \$1,000,000 per person <b>Annual Gift Tax Exclusion for a Noncitizen Spouse:</b> \$133,000
\$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	\$2,000,000	\$555,800 + 45%	\$1,500,000	
\$2,000,000	\$2,500,000	\$780,800 + 45%	\$2,000,000	
\$2,500,000	\$3,000,000	\$1,025,800 + 45%	\$2,500,000	
\$3,000,000	\$3,500,000	\$1,290,800 + 45%	\$3,000,000	
\$3,500,000	And Over	\$1,455,800 + 45%	\$3,500,000	

## SCHEDULED ESTATE TAX CHANGES

Year	Top Estate Tax Rate	Estate Tax Exemption	Applicable Credit
2002	50%	\$1 million	\$345,800
2003	49%	\$1 million	\$345,800
2004	48%	\$1.5 million	\$555,800
2005	47%	\$1.5 million	\$555,800
2006	46%	\$2 million	\$780,800
2007	45%	\$2 million	\$780,800
2008	45%	\$2 million	\$780,800
2009	45%	\$3.5 million	\$1,455,800
2010	Repealed	N/A	N/A
2011	55%	\$1 million	\$345,800 <sup>4</sup>

4. As a result of the Economic Growth and Tax Relief Reconciliation Act of 2001 (EGTRRA), the estate tax will be repealed for one year in 2010. However, the provisions of EGTRRA will expire on December 31, 2010. If a new estate tax law is not enacted before EGTRRA expires, in 2011 the estate tax exemption will return to the 2001 limits of \$1,000,000 per person, and the highest estate tax rate will be 55%.

<b>SOCIAL SECURITY BENEFITS</b>	<b>2008</b>	<b>2009</b>
	<b>Maximum Annual Earnings Before Social Security Benefits Are Reduced</b>	
Before Full Retirement Age (lose \$1 for every \$2 of earnings)	\$13,560	\$14,160
Year of Full Retirement Age (lose \$1 for every \$3 of earnings)	\$36,120	\$37,680
After Full Retirement	No limit	No limit

<b>FICA INCOME LIMITS</b>	<b>2008</b>	<b>2009</b>
	<b>Maximum Compensation Subject to FICA Taxes</b>	
OASDI (Soc. Sec) maximum	\$102,000	\$106,800
HI (Medicare maximum)	No limit	No limit

<b>CHARITABLE IRA ROLLOVER<sup>5</sup></b>	<b>2008</b>	<b>2009</b>
Qualified Charitable Distribution Amount	\$100,000	\$100,000

<b>PERIODIC PAYMENTS</b>	<b>2008</b>	<b>2009</b>
	<b>Periodic Payments Received Under Qualified Long-Term Care Insurance Contracts or Under Certain Life Insurance Contracts</b>	
Per Diem Limit	\$270	\$280

5. The Charitable IRA Rollover is only available for IRA accountholders who are age 70½ or older; they may be able to make an income tax-free distribution directly from an IRA to a charity (income tax exclusion is not available for distributions to foundations, split-interest trusts, donor advised funds or supporting organizations).

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