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Tax Figures for 2009

| Individual Income Tax Planning | 2008 | 2009 |
|---|----------------------|-------------|
| Adoption Credit | | |
| *Maximum credit | \$11,650 | \$12,150 |
| Phaseout threshold amount | \$174,730 | \$182,180 |
| Completed phaseout amount after | \$214,730 | \$222,180 |
| Alternative Minimum Tax (AMT) | | |
| *Maximum AMT exemption amount | | |
| Married filing jointly or surviving spouse | \$69,950 | \$45,000 |
| Single or head of household | \$46,200 | \$33,750 |
| Married filing separately | \$34,975 | \$22,500 |
| *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 ¹ | \$0.14 |
| Charitable fundraising contributions "insubstantial benefit" limitations: | | |
| *Low-cost article (re: unrelated business income) | \$9.10 | \$9.50 |
| *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 | \$9.10 | \$9.50 |
| Minimum contribution amount | \$45.50 | \$47.50 |
| *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 | \$91 | \$95 |
| 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 | \$8,500 ² | \$12,550 |

¹ As a result of the Emergency Economic Stabilization Act of 2008, for charitable use of a motor vehicle in providing relief to the Midwestern disaster area, the standard mileage rate is increased to \$.36 per mile for periods before July 1, 2008, and \$.41 per mile from July 1, 2008, to December 1, 2008.

² Emergency Economic Stabilization Act of 2008.

| Individual Income Tax Planning | 2008 | 2009 |
|--|-------------|-------------|
| Classroom expenses of elementary and secondary school teachers (maximum above-the-line deduction) | \$250 | \$250 |
| Earned income tax credit (EITC): | | |
| *Excessive investment income limit ("disqualified income limit") | \$2,950 | \$3,100 |
| *Maximum amount of EITC per number of children | | |
| 0 children | \$438 | \$457 |
| 1 child | \$2,917 | \$3,043 |
| 2 or more children | \$4,824 | \$5,028 |
| *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 | \$5,720 | \$5,970 |
| 1 child | \$8,580 | \$8,950 |
| 2 or more children | \$12,060 | \$12,570 |
| *Threshold phaseout amount for joint filers per number of children | | |
| 0 children | \$10,160 | \$10,590 |
| 1 child | \$18,740 | \$19,540 |
| 2 or more children | \$18,740 | \$19,540 |
| *Threshold phaseout amount for other filers per number of children | | |
| 0 children | \$7,160 | \$7,470 |
| 1 child | \$15,740 | \$16,420 |
| 2 or more children | \$15,740 | \$16,420 |
| *Completed phaseout amount for joint filers per number of children | | |
| 0 children | \$15,880 | \$16,560 |
| 1 child | \$36,995 | \$38,583 |
| 2 or more children | \$41,646 | \$43,415 |
| *Completed phaseout amount for other filers per number of children | | |
| 0 children | \$12,880 | \$13,440 |
| 1 child | \$33,995 | \$35,463 |
| 2 or more children | \$38,646 | \$40,295 |
| 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) | \$139,000 | \$145,000 |
| *IRC §877A(3) exclusion amount | \$600,000 | \$626,000 |
| Foreign earned income exclusion: | \$87,600 | \$91,400 |
| Itemized Deductions¹ | | |
| *Itemized deductions threshold phaseout amount for MFS: | \$79,975 | \$83,400 |
| *Itemized deductions threshold phaseout amount for all others: | \$159,950 | \$166,800 |

¹ The phaseout of itemized deductions for individuals with higher AGIs is itself being phased out. In 2008 and 2009, only 1/3 of the calculated reduction will be used to reduce allowable itemized deductions.

| Individual Income Tax Planning | 2008 | 2009 |
|--|---|---|
| Kiddie tax: | | |
| *Unearned income limit | | |
| Amount exempt from tax | \$900 | \$950 |
| Additional amount taxed at child's rate | \$900 | \$950 |
| Unearned income over this amount taxed at parent's rate | \$1,800 | \$1,900 |
| *Election to include child's income on parent's return -- child's gross income requirement | \$900 - \$9,000 | \$950 - \$9,500 |
| *AMT exemption for child subject to kiddie tax: | Lesser of \$6,400 + child's earned income or \$46,200 | Lesser of \$6,700 + child's earned income or \$33,750 |
| | | |
| Nanny tax (domestic employee coverage threshold) | \$1,600 | \$1,700 |
| | | |
| Personal exemption amount: | \$3,500 | \$3,650 |
| *Personal exemption amount for taxpayers with AGI exceeding maximum phaseout threshold | \$2,333 | \$2,433 |
| *Married filing jointly | | |
| Phaseout threshold amount | \$239,950 | \$250,200 |
| Completed phaseout amount after | \$362,450 | \$372,700 |
| *Head of household | | |
| Phaseout threshold amount | \$199,950 | \$208,500 |
| Completed phaseout amount after | \$322,450 | \$331,000 |
| *Single | | |
| Phaseout threshold amount | \$159,950 | \$166,800 |
| Completed phaseout amount after | \$282,450 | \$289,300 |
| *Married filing separately | | |
| Phaseout threshold amount | \$119,975 | \$125,100 |
| Completed phaseout amount after | \$181,225 | \$186,350 |
| "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 - \$32,000 | \$0 - \$33,000 |
| Head of Household | \$0 - \$24,000 | \$0 - \$24,750 |
| Other | \$0 - \$16,000 | \$0 - \$16,500 |
| *Applicable percentage of 20% applies to AGI | | |
| Joint Return | \$32,000 - \$34,500 | \$33,000 - \$36,000 |
| Head of Household | \$24,000 - \$25,875 | \$24,750 - \$27,000 |
| Other | \$16,000 - \$17,250 | \$16,500 - \$18,000 |
| *Applicable percentage of 10% applies to AGI | | |
| Joint Return | \$34,500 - \$53,000 | \$36,000 - \$55,500 |
| Head of Household | \$25,875 - \$39,750 | \$27,000 - \$41,625 |
| Other | \$17,250 - \$26,500 | \$18,000 - \$27,750 |
| *Applicable percentage of 0% applies to AGI | | |
| Joint Return | Over \$53,000 | Over \$55,500 |
| Head of Household | Over \$39,750 | Over \$41,625 |
| Other | Over \$26,500 | Over \$27,750 |
| | | |

| Individual Income Tax Planning | 2008 | 2009 |
|--|---|---|
| Standard deductions: | | |
| *Married filing jointly or surviving spouse | \$10,900 | \$11,400 |
| *Head of household | \$8,000 | \$8,350 |
| *Single | \$5,450 | \$5,700 |
| *Married filing separately | \$5,450 | \$5,700 |
| *Dependent | Greater of \$900, or \$300 + earned income | Greater of \$950, or \$300 + earned income |
| *Additional deduction for aged or blind (single or head of household) | \$1,350 | \$1,400 |
| * Additional deduction for aged or blind (all other filing statuses) | \$1,050 | \$1,100 |
| * Additional standard deduction for state and local real property taxes (maximum additional deduction) ¹ | | |
| Married filing jointly | \$1,000 | \$1,000 |
| All other filing statuses | \$500 | \$500 |
| Standard mileage rates: | | |
| *Use of auto for business purposes (cents per mile) | \$0.505 for first half of 2008; \$0.585 for second half | \$0.55 |
| *Use of auto for medical purposes (cents per mile) | \$0.190 for first half of 2008; \$0.270 for second half | \$0.24 |
| *Use of auto for moving purposes (cents per mile) | \$0.190 for first half of 2008; \$0.270 for second half | \$0.24 |

¹ Housing Assistance Tax Act of 2008 and the Emergency Economic Stabilization Act of 2008

2008 Marginal Income Tax Rates

Unmarried taxpayers

| If taxable income is: | Your tax is: |
|-----------------------------|---|
| Not over \$8,025 | 10% of taxable income |
| Over \$8,025 to \$32,550 | \$802.50 + 15% of the excess over \$8,025 |
| Over \$32,550 to \$78,850 | \$4,481.25 + 25% of the excess over \$32,550 |
| Over \$78,850 to \$164,550 | \$16,056.25 + 28% of the excess over \$78,850 |
| Over \$164,550 to \$357,700 | \$40,052.25 + 33% of the excess over \$164,550 |
| Over \$357,700 | \$103,791.75 + 35% of the excess over \$357,700 |

Married filing jointly and surviving spouses

| If taxable income is: | Your tax is: |
|-----------------------------|--|
| Not over \$16,050 | 10% of taxable income |
| Over \$16,050 to \$65,100 | \$1,605 + 15% of the excess over \$16,050 |
| Over \$65,100 to \$131,450 | \$8,962.50 + 25% of the excess over \$65,100 |
| Over \$131,450 to \$200,300 | \$25,550 + 28% of the excess over \$131,450 |
| Over \$200,300 to \$357,700 | \$44,828 + 33% of the excess over \$200,300 |
| Over \$357,700 | \$96,770 + 35% of the excess over \$357,700 |

Married individuals filing separately

| If taxable income is: | Your tax is: |
|-----------------------------|--|
| Not over \$8,025 | 10% of taxable income |
| Over \$8,025 to \$32,550 | \$802.50 + 15% of the excess over \$8,025 |
| Over \$32,550 to \$65,725 | \$4,481.25 + 25% of the excess over \$32,550 |
| Over \$65,725 to \$100,150 | \$12,775 + 28% of the excess over \$65,725 |
| Over \$100,150 to \$178,850 | \$22,414 + 33% of the excess over \$100,150 |
| Over \$178,850 | \$48,385 + 35% of the excess over \$178,850 |

Heads of household

| If taxable income is: | Your tax is: |
|-----------------------------|--|
| Not over \$11,450 | 10% of taxable income |
| Over \$11,450 to \$43,650 | \$1,145 + 15% of the excess over \$11,450 |
| Over \$43,650 to \$112,650 | \$5,975 + 25% of the excess over \$43,650 |
| Over \$112,650 to \$182,400 | \$23,225 + 28% of the excess over \$112,650 |
| Over \$182,400 to \$357,700 | \$42,775 + 33% of the excess over \$182,400 |
| Over \$357,700 | \$100,604 + 35% of the excess over \$357,700 |

Trusts and estates

| If taxable income is: | Your tax is: |
|--------------------------|---|
| Not over \$2,200 | 15% of taxable income |
| Over \$2,200 to \$5,150 | \$330 + 25% of the excess over \$2,200 |
| Over \$5,150 to \$7,850 | \$1,067.50 + 28% of the excess over \$5,150 |
| Over \$7,850 to \$10,700 | \$1,823.50 + 33% of the excess over \$7,850 |
| Over \$10,700 | \$2,764 + 35% of the excess over \$10,700 |

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 | 2008 | 2009 |
|---|--|------------------------|
| Adoption Assistance Programs | | |
| *Maximum amount that can be excluded from employee's gross income | \$11,650 | \$12,150 |
| Phaseout threshold amount | \$174,730 | \$182,180 |
| Completed phaseout amount after | \$214,730 | \$222,180 |
| Earnings subject to FICA taxes (taxable wage base): | | |
| *Maximum annual earnings subject to Social Security taxes | \$102,000 | \$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 | \$115 | \$120 |
| *Qualified parking monthly exclusion amount | \$220 | \$230 |
| *Qualified bicycle commuting reimbursement fringe benefit (monthly amount) | N/A | \$20 |
| Section 179 expensing | | |
| *Maximum amount that may be deducted under section 179 | \$250,000 | \$133,000 ¹ |
| *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 ¹ |
| Special additional first-year depreciation allowance | | |
| "Bonus" depreciation for qualified property acquired and placed in service during specified time periods | 50% | 0% ² |
| Standard mileage rate (per mile): | | |
| *Use of auto for business purposes | \$0.505 for first half of 2008; \$0.585 for second half | \$0.55 |
| 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 As a result of the Emergency Economic Stabilization Act of 2008, the maximum Section 179 expensing amount is increased by the cost of any qualified disaster assistance property placed in service during the year (up to \$100,000); the phaseout threshold is also increased by the cost of any qualified disaster assistance property (up to \$600,000).

² 50% bonus depreciation is only available for qualified disaster assistance property (generally, property primarily used in federally declared disaster area that rehabilitates or replaces property destroyed in a disaster). Certain property is excluded.

| Education Planning | 2008 | 2009 |
|---|-------------|-------------|
| 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 | \$4,000 |
| *MAGI maximum for full \$4,000 deduction | | |
| Single | \$65,000 | \$65,000 |
| Married filing jointly | \$130,000 | \$130,000 |
| | | |
| *Reduced deduction available | \$2,000 | \$2,000 |
| *MAGI range for \$2,000 deduction | | |
| Single--MAGI greater than this amount: | \$65,000 | \$65,000 |
| Single--MAGI does not exceed this amount: | \$80,000 | \$80,000 |
| Married filing jointly--MAGI greater than this amount: | \$130,000 | \$130,000 |
| Married filing jointly--MAGI does not exceed this amount: | \$160,000 | \$160,000 |
| | | |
| Education loans--interest deduction | | |
| *Maximum deduction for interest paid on qualified education loans | \$2,500 | \$2,500 |
| *MAGI phaseout range | | |
| Single--phaseout threshold amount | \$55,000 | \$60,000 |
| Single--completed phaseout amount after | \$70,000 | \$75,000 |
| Married filing jointly--phaseout threshold amount | \$115,000 | \$120,000 |
| Married filing jointly--completed phaseout threshold amount | \$145,000 | \$150,000 |
| | | |
| Gift tax exclusion | | |
| Annual gift tax exclusion-- <i>single individual</i> | \$12,000 | \$13,000 |
| Annual gift tax exclusion-- <i>joint gift</i> | \$24,000 | \$26,000 |
| Lump-sum gift to 529 plan-- <i>single individual</i> | \$60,000 | \$65,000 |
| Lump-sum gift to 529 plan-- <i>joint gift</i> | \$120,000 | \$130,000 |
| | | |
| Hope and Lifetime Learning Credits | | |
| *Maximum Lifetime Learning credit | \$2,000 | \$2,000 |
| *Maximum Lifetime Learning credit--Midwestern disaster area | \$4,000 | \$4,000 |
| *Maximum Hope credit | \$1,800 | \$1,800 |
| *Maximum Hope credit--Midwestern disaster area | \$3,600 | \$3,600 |
| *MAGI phaseout range for Hope and Lifetime Learning credit | | |
| Single--phaseout threshold amount | \$48,000 | \$50,000 |
| Single--completed phaseout amount after | \$58,000 | \$60,000 |
| Married filing jointly--phaseout threshold amount | \$96,000 | \$100,000 |
| Married filing jointly--completed phaseout threshold amount | \$116,000 | \$120,000 |

| Education Planning | 2008 | 2009 |
|--|-------------|-------------|
| Kiddie tax | | |
| Generally, children under age 19 ¹ pay federal income tax at their parents' rate on any investment income over... | \$1,800 | \$1,900 |
| | | |
| U.S. savings bonds--interest exclusion for higher education expenses: | | |
| *Joint returns | | |
| Phaseout threshold for joint returns | \$100,650 | \$104,900 |
| Completed phaseout amount after | \$130,650 | \$134,900 |
| *Other returns | | |
| Phaseout threshold for other returns | \$67,100 | \$69,950 |
| Completed phaseout amount after | \$82,100 | \$84,950 |

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.

| Protection Planning | 2008 | 2009 |
|--|-------------|-------------|
| Eligible long-term care premium deduction limits: | | |
| *Age 40 or under | \$310 | \$320 |
| *Age 41-50 | \$580 | \$600 |
| *Age 51-60 | \$1,150 | \$1,190 |
| *Age 61-70 | \$3,080 | \$3,180 |
| *Over age 70 | \$3,850 | \$3,980 |
| Per diem limit: periodic payments for qualified long-term care insurance/ certain life insurance: | \$270 | \$280 |
| | | |
| Archer Medical Savings Accounts | | |
| *High deductible health plan--self-only coverage | | |
| Annual deductible--minimum | \$1,950 | \$2,000 |
| Annual deductible--maximum | \$2,900 | \$3,000 |
| Annual out-of-pocket expenses required to be paid (other than for premiums) can't exceed | \$3,850 | \$4,000 |
| *High deductible health plan--family coverage | | |
| Annual deductible--minimum | \$3,850 | \$4,000 |
| Annual deductible--maximum | \$5,800 | \$6,050 |
| Annual out-of-pocket expenses required to be paid (other than for premiums) can't exceed | \$7,050 | \$7,350 |
| | | |

| Protection Planning | 2008 | 2009 |
|--|-------------|-------------|
| Health Savings Accounts (HSAs) | | |
| *Annual contribution limit | | |
| Self-only coverage | \$2,900 | \$3,000 |
| Family coverage | \$5,800 | \$5,950 |
| *High deductible health plan--self-only coverage | | |
| Annual deductible--minimum | \$1,100 | \$1,150 |
| Annual out-of-pocket expenses required to be paid (other than for premiums) can't exceed | \$5,600 | \$5,800 |
| *High deductible health plan--family coverage | | |
| Annual deductible--minimum | \$2,200 | \$2,300 |
| Annual out-of-pocket expenses required to be paid (other than for premiums) can't exceed | \$11,200 | \$11,600 |
| *Annual catch up contribution limit for individuals age 55 or older | \$900 | \$1,000 |

| Estate Planning | 2008 | 2009 |
|---|-------------|------------------|
| Annual gift exclusion: | \$12,000 | \$13,000 |
| Estate tax applicable exclusion amount: | \$2,000,000 | \$3,500,000 |
| Gift tax applicable exclusion amount: | \$1,000,000 | \$1,000,000 |
| Noncitizen spouse annual gift exclusion: | \$128,000 | \$133,000 |
| GSTT exemption: | \$2,000,000 | \$3,500,000 |
| Special use valuation limit (qualified real property in decedent's gross estate): | \$960,000 | \$1,000,000 |
| Qualified conservation easement exclusion: | | |
| *Dollar cap amount (exclusion of up to 40% of land value) | 500,000 | 500,000 |
| Qualified funeral trusts: | | |
| *Maximum contribution to a qualified funeral trust (aggregate contribution limit) | \$9,000 | N/A ¹ |

¹ Dollar limit repealed for tax years beginning after August 29, 2008.

2008 and 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 |
| 2008 credit shelter amount \$2,000,000 | 2008 credit amount \$780,800 | | |
| 2009 credit shelter amount \$3,500,000 | 2009 credit amount \$1,455,800 | | |

| Government Benefits | 2008 | 2009 |
|---|------------------------|----------------------|
| Social Security | | |
| Social Security Cost-of-living adjustment (COLA) | | |
| * For Social Security and Supplemental Security Income (SSI) beneficiaries | 2.30% | 5.80% |
| 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) | \$102,000 | \$106,800 |
| * Medicare (HI only) | No limit | No limit |
| Quarter of coverage | | |
| * Earnings required | \$1,050 | \$1,090 |
| Full retirement age ¹ | 65 years, 10 months | Age 66 |
| Retirement earnings test--exempt amounts | | |
| * Under full retirement age | | |
| Benefits reduced by \$1 for each \$2 earned above: | | |
| Yearly figure | \$13,560 | \$14,160 |
| Monthly figure | \$1,130 | \$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 | \$36,120 | \$37,680 |
| Monthly figure | \$3,010 | \$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) | \$940 | \$980 |
| * Substantial gainful activity: for the blind (monthly figure) | \$1,570 | \$1,640 |
| * Trial work period (TWP) (monthly figure) | \$670 | \$700 |

¹ Full retirement age is 65 for those born in 1937 or earlier, 65 and 2 months for those born in 1938, 65 and 4 months for those born in 1939, 65 and 6 months for those born in 1940, 65 and 8 months for those born in 1941, 65 and 10 months for those born in 1942, and age 66 for those born 1943 through 1954.

| Government Benefits | 2008 | 2009 |
|--|------------------------|------------------------|
| SSI federal payment standard | | |
| * Individual (monthly figure) | \$637 | \$674 |
| * Couple (monthly figure) | \$956 | \$1,011 |
| | | |
| SSI resource limits | | |
| * Individual | \$2,000 | \$2,000 |
| * Couple | \$3,000 | \$3,000 |
| | | |
| SSI student exclusion limits | | |
| * Monthly limit | \$1,550 | \$1,640 |
| * Annual limit | \$6,240 | \$6,600 |
| | | |
| Maximum Social Security benefit | | |
| * Worker retiring at full retirement age (monthly figure) | \$2,185 | \$2,323 |
| | | |
| Estimated average monthly Social Security benefits payable to: | After 2.3% COLA | After 5.8% COLA |
| * All retired workers | \$1,079 | \$1,153 |
| * Aged couple, both receiving benefits | \$1,761 | \$1,876 |
| * Widowed mother and two children | \$2,243 | \$2,399 |
| * Aged widow(er) alone | \$1,041 | \$1,112 |
| * Disabled worker, spouse, and one or more children | \$1,690 | \$1,793 |
| * All disabled workers | \$1,004 | \$1,064 |
| | | |
| 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=\$711 Y=\$4,288 | X=\$744 Y=\$4,483 |
| | | |
| 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 | \$233 | \$244 |
| Individuals with less than 30 quarters of Medicare-covered employment who are not otherwise eligible for premium-free hospital insurance | \$423 | \$443 |

| Government Benefits | | 2008 | 2009 |
|---|---------------------------------|-------------|-------------|
| * Part B (medical insurance) standard premium per month | | \$96.40 | \$96.40 |
| Total monthly premium amounts for high income individuals (married individuals filing jointly) | | | |
| 2008 | 2009 | | |
| Less than or equal to \$164,000 | Less than or equal to \$170,000 | \$96.40 | \$96.40 |
| \$164,000.01 - \$204,000 | \$170,000.01 - \$214,000 | \$122.20 | \$134.90 |
| \$204,000.01 - \$306,000 | \$214,000.01 - \$320,000 | \$160.90 | \$192.70 |
| \$306,000.01 - \$410,000 | \$320,000.01 - \$426,000 | \$199.70 | \$250.50 |
| Greater than \$410,000 | Greater than \$426,000 | \$238.40 | \$308.30 |
| Total monthly premium amounts for high income individuals (individual filers) | | | |
| 2008 | 2009 | | |
| Less than or equal to \$82,000 | Less than or equal to \$85,000 | \$96.40 | \$96.40 |
| \$82,000.01 - \$102,000 | \$85,000.01 - \$107,000 | \$122.20 | \$134.90 |
| \$102,000.01 - \$153,000 | \$107,000.01 - \$160,000 | \$160.90 | \$192.70 |
| \$153,000.01 - \$205,000 | \$160,000.01 - \$213,000 | \$199.70 | \$250.50 |
| Greater than \$205,000 | Greater than \$213,000 | \$238.40 | \$308.30 |
| Total monthly premium amounts for high income individuals (married individuals filing separate returns who lived with their spouse at some time during the taxable year) | | | |
| 2008 | 2009 | | |
| Less than or equal to \$82,000 | Less than or equal to \$85,000 | \$96.40 | \$96.40 |
| \$82,000.01 - \$123,000 | \$85,000.01 - \$128,000 | \$199.70 | \$250.50 |
| Greater than \$123,000 | Greater than \$128,000 | \$238.40 | \$308.30 |
| Original Medicare plan deductible and coinsurance amounts | | | |
| * Part A (hospital insurance) | | | |
| Deductible per benefit period | | \$1,024 | \$1,068 |
| Coinsurance per day for 61st to 90th day of each benefit period | | \$256 | \$267 |
| Coinsurance per day for 91st to 150th day for each lifetime reserve day (total of 60 lifetime reserve days--nonrenewable) | | \$512 | \$534 |
| * Skilled nursing facility coinsurance per day for 21st to 100th day of each benefit period | | \$128.00 | \$133.50 |
| * Part B (medical insurance) annual deductible | | | |
| Individual pays 20 percent of the Medicare-approved amount for services after deductible is met | | \$135 | \$135 |
| Medicaid | | | |
| Monthly income threshold for income-cap states ("300 percent cap limit") | | \$1,911 | \$2,022 |
| Monthly maintenance needs allowance for at-home spouse | | | |
| *Minimum ¹ | | \$1,711.00 | \$1,750.00 |
| *Maximum | | \$2,610.00 | \$2,739.00 |
| Spousal resource allowance | | | |
| *Minimum | | \$20,880 | \$21,912 |
| *Maximum | | \$104,400 | \$109,560 |

¹ Amounts listed actually effective as of July of prior year; different amounts apply to Alaska and Hawaii.

| Retirement Planning | 2008 | 2009 |
|---|---|---|
| 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 \$15,500 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 \$10,500 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 | \$5,000 | \$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 limits³ | | |
| 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 \$185,000 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 | 2008 | 2009 |
|---|---|---|
| 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 \$46,000 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) | \$230,000 | \$245,000 |
| *Compensation threshold used to determine a highly-compensated employee | \$105,000 (when 2008 is the look-back year) | \$110,000 (when 2009 is the look-back year) |
| *Compensation threshold used to determine a key employee in a top-heavy plan | \$1 for more-than-5% owners \$150,000 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 | \$500 | \$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 | \$53,000-\$63,000 | \$55,000-\$65,000 |
| Married filing jointly | \$85,000-\$105,000 | \$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 | \$159,000-\$169,000 | \$166,000-\$176,000 |
| Roth IRA income limits | | |
| * Income phase-out range for determining ability to fund Roth IRA for taxpayers filing as: | | |
| Single | \$101,000-\$116,000 | \$105,000-\$120,000 |
| Married filing jointly | \$159,000-\$169,000 | \$166,000-\$176,000 |
| Married filing separately | \$0-\$10,000 | \$0-\$10,000 |
| *Annual income limit for determining ability to convert traditional IRA to Roth IRA | \$100,000 | \$100,000 |

| Investment Planning | 2008 | 2009 |
|---|-------------|-------------|
| 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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