



Retirement Planning	2009	2010	2011
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 \$16,500 or 100% of participant's compensation	Lesser of \$16,500 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 \$11,500 or 100% of participant's compensation	Lesser of \$11,500 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	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	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	\$5,500	\$5,500	\$5,500
* SIMPLE 401(k) plans and SIMPLE IRA plans	\$2,500	\$2,500	\$2,500
* IRAs (traditional and Roth)	\$1,000	\$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.	No predetermined limit. Contributions based on amount needed to fund promised benefits.
* Annual benefit limit per participant	Lesser of \$195,000 or 100% of average compensation for highest three consecutive years	Lesser of \$195,000 or 100% of average compensation for highest three consecutive years	Lesser of \$195,000 or 100% of average compensation for highest three consecutive years
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 \$49,000 or 100% (25% for SEP) of participant's compensation	Lesser of \$49,000 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	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

Retirement Planning	2009	2010	2011
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)	\$245,000	\$245,000	\$245,000
* Compensation threshold used to determine a highly-compensated employee	\$110,000 (when 2009 is the look-back year)	\$110,000 (when 2010 is the look-back year)	\$110,000 (when 2011 is the look-back year)
* Compensation threshold used to determine a key employee in a top-heavy plan	\$1 for more-than-5% owners \$160,000 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	\$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	\$5,000
* Compensation threshold used to determine a qualifying employee under a SEP plan	\$550	\$550	\$550
Traditional deductible IRA compensation 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	\$55,000 - \$65,000	\$56,000 - \$66,000	\$56,000 - \$66,000
Married filing jointly	\$89,000 - \$109,000	\$89,000 - \$109,000	\$90,000 - \$110,000
Married filing separately	\$0 - \$10,000	\$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	\$166,000-\$176,000	\$167,000-\$177,000	\$169,000 - \$179,000
Roth IRA compensation limits			
* Income phase-out range for determining ability to fund Roth IRA for taxpayers filing as:			
Single	\$105,000-\$120,000	\$105,000-\$120,000	\$107,000 - \$122,000
Married filing jointly	\$166,000-\$176,000	\$167,000-\$177,000	\$169,000 - \$179,000
Married filing separately	\$0 - \$10,000	\$0 - \$10,000	\$0 - \$10,000
* Annual income limit for determining ability to convert traditional IRA to Roth IRA	\$100,000	N/A	N/A

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 Note: 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.

Protection Planning	2009	2010	2011
Eligible long-term care premium deduction limits:			
*Age 40 or under	\$320	\$330	\$340
*Age 41-50	\$600	\$620	\$640
*Age 51-60	\$1,190	\$1,230	\$1,270
*Age 61-70	\$3,180	\$3,290	\$3,390
*Over age 70	\$3,980	\$4,110	\$4,240
Per diem limit: periodic payments for qualified long-term care insurance/certain life insurance:	\$280	\$290	\$300
Archer Medical Savings Accounts			
*High deductible health plan--self-only coverage			
Annual deductible--minimum	\$2,000	\$2,000	\$2,050
Annual deductible--maximum	\$3,000	\$3,000	\$3,050
Annual out-of-pocket expenses required to be paid (other than for premiums) can't exceed	\$4,000	\$4,050	\$4,100
*High deductible health plan--family coverage			
Annual deductible--minimum	\$4,000	\$4,050	\$4,100
Annual deductible--maximum	\$6,050	\$6,050	\$6,150
Annual out-of-pocket expenses required to be paid (other than for premiums) can't exceed	\$7,350	\$7,400	\$7,500
Health Savings Accounts (HSAs)			
*Annual contribution limit			
Self-only coverage	\$3,000	\$3,050	\$3,050
Family coverage	\$5,950	\$6,150	\$6,150
*High deductible health plan--self-only coverage			
Annual deductible--minimum	\$1,150	\$1,200	\$1,200
Annual out-of-pocket expenses required to be paid (other than for premiums) can't exceed	\$5,800	\$5,950	\$5,950
*High deductible health plan--family coverage			
Annual deductible--minimum	\$2,300	\$2,400	\$2,400
Annual out-of-pocket expenses required to be paid (other than for premiums) can't exceed	\$11,600	\$11,900	\$11,900
*Annual catch up contribution limit for individuals age 55 or older	\$1,000	\$1,000	\$1,000

Government Benefits	2009	2010	2011
Social Security			
Social Security Cost-of-living adjustment (COLA)			
* For Social Security and Supplemental Security Income (SSI) beneficiaries	5.80%	0.00%	0.00%
Tax rate			
* FICA tax -- Employee ¹	7.65%	7.65%	5.65%
Social Security (OASDI) portion of tax ¹	6.20%	6.20%	4.20%
Medicare (HI) portion of tax	1.45%	1.45%	1.45%
* Self-Employed	15.30%	15.30%	13.30%
Social Security (OASDI) portion of tax ¹	12.40%	12.40%	10.40%
Medicare (HI) portion of tax	2.90%	2.90%	2.90%
Maximum taxable earnings			
* Social Security (OASDI only)	\$106,800	\$106,800	\$106,800
* Medicare (HI only)	No limit	No limit	No limit
Quarter of coverage			
* Earnings required	\$1,090	\$1,120	\$1,120
Retirement earnings test--exempt amounts			
* Under full retirement age			
Benefits reduced by \$1 for each \$2 earned above:			
Yearly figure	\$14,160	\$14,160	\$14,160
Monthly figure	\$1,180	\$1,180	\$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	\$37,680	\$37,680	\$37,680
Monthly figure	\$3,140	\$3,140	\$3,140
* Beginning the month individual attains full retirement age	No limit on earnings	No limit on earnings	No limit on earnings
Social Security disability thresholds			
* Substantial gainful activity (SGA): for the sighted (monthly figure)	\$980	\$1,000	\$1,000
* Substantial gainful activity: for the blind (monthly figure)	\$1,640	\$1,640	\$1,640
* Trial work period (TWP) (monthly figure)	\$700	\$720	\$720
SSI federal payment standard			
* Individual (monthly figure)	\$674	\$674	\$674
* Couple (monthly figure)	\$1,011	\$1,011	\$1,011
SSI resource limits			
* Individual	\$2,000	\$2,000	\$2,000
* Couple	\$3,000	\$3,000	\$3,000
SSI student exclusion limits			
* Monthly limit	\$1,640	\$1,640	\$1,640
* Annual limit	\$6,600	\$6,600	\$6,600
Maximum Social Security benefit			
* Worker retiring at full retirement age (monthly figure)	\$2,323	\$2,346	\$2,366
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=\$744 Y=\$4,483	X=\$761 Y=\$4,586	X=\$749 Y=\$4,517

Government Benefits	2009	2010	2011
Medicare			
Medicare monthly premium amounts			
* Part A (hospital insurance) monthly premium			
Individuals with 40 or more quarters of Medicare-covered employment	\$0	\$0	\$0
Individuals with 30 to 39 quarters of Medicare-covered employment who are not otherwise eligible for premium-free hospital insurance	\$244	\$254	\$248
Individuals with less than 30 quarters of Medicare-covered employment who are not otherwise eligible for premium-free hospital insurance	\$443	\$461	\$450
* Part B (medical insurance) monthly premium			
For beneficiaries who file an individual income tax return with income that is:			
2009	2010 and 2011		
Less than or equal to \$85,000	Less than or equal to \$85,000	\$96.40	\$96.40 or \$110.50, \$110.50, or \$115.40 ²
\$85,001 - \$107,000	\$85,001 - \$107,000	\$134.90	\$154.70
\$107,001 - \$160,000	\$107,001 - \$160,000	\$192.70	\$221.00
\$160,001 - \$213,000	\$160,001 - \$214,000	\$250.50	\$287.30
Greater than \$213,000	Greater than \$214,000	\$308.30	\$353.60
For beneficiaries who file a joint income tax return with income that is:			
2009	2010 and 2011		
Less than or equal to \$170,000	Less than or equal to \$170,000	\$96.40	\$96.40 or \$110.50, \$110.50, or \$115.40 ²
\$170,001 - \$214,000	\$170,001 - \$214,000	\$134.90	\$154.70
\$214,001 - \$320,000	\$214,001 - \$320,000	\$192.70	\$221.00
\$320,001 - \$426,000	\$320,001 - \$428,000	\$250.50	\$287.30
Greater than \$426,000	Greater than \$428,000	\$308.30	\$353.60
For beneficiaries who are married, but file a separate tax return from their spouse and lived with spouse at some time during the taxable year with income that is:			
2009	2010 and 2011		
Less than or equal to \$85,000	Less than or equal to \$85,000	\$96.40	\$96.40 or \$110.50, \$110.50, or \$115.40 ²
\$85,001 - \$128,000	\$85,001 - \$129,000	\$250.50	\$287.30
Greater than \$128,000	Greater than \$129,000	\$308.30	\$353.60
Original Medicare plan deductible and coinsurance amounts			
* Part A (hospital insurance)			
Deductible per benefit period	\$1,068	\$1,100	\$1,132
Coinsurance per day for 61st to 90th day of each benefit period	\$267	\$275	\$283
Coinsurance per day for 91st to 150th day for each lifetime reserve day (total of 60 lifetime reserve days--nonrenewable)	\$534	\$550	\$566
* Skilled nursing facility coinsurance per day for 21st to 100th day of each benefit period	\$133.50	\$137.50	\$141.50
* Part B (medical insurance) annual deductible			
Individual pays 20 percent of the Medicare-approved amount for services after deductible is met	\$135	\$155	\$162

Government Benefits	2009	2010	2011
Medicaid			
Monthly income threshold for income-cap states ("300 percent cap limit")	\$2,022	\$2,022	\$2,022
Monthly maintenance needs allowance for at-home spouse			
* Minimum ³	\$1,750	\$1,822	\$1,822
* Maximum	\$2,739	\$2,739	\$2,739
Spousal resource allowance			
* Minimum	\$21,912	\$21,912	\$21,912
* Maximum	\$109,560	\$109,560	\$109,560

¹ The Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010 included a 2% reduction in the Social Security (OASDI) portion of FICA tax for 2011.

² Most beneficiaries will continue to pay the same \$96.40 or \$110.50 premium in 2011. However, new enrollees or beneficiaries who currently do not have their premium withheld will pay \$115.40.

³ Amounts listed actually effective as of July of prior year; different amounts apply to Alaska and Hawaii.

IRS Circular 230 disclosure:

To ensure compliance with requirements imposed by the IRS, we inform you that any tax advice from Pacific Tax Partners, LLP, unless expressly stated otherwise, was not intended or written to be used, and cannot be used, for the purpose of (i) avoiding tax-related penalties under the Internal Revenue Code or (ii) promoting, marketing or recommending to another party any tax-related matter(s) discussed on our website.

No information relating to approaches to investing or types of securities and investments you might buy, sell or hold is intended or should be construed as any advice, recommendation or endorsement from us as to any legal, tax, investment or other matter. No reference to any specific security constitutes a recommendation to buy, sell or hold that security or any other security. Nothing in this text shall be considered a solicitation or offer to buy or sell any security, future, option or other financial instrument or to offer or provide any investment advice or service to any person in any jurisdiction. We offer no investment advice or any opinion with respect to the suitability of any security, and the views expressed in this text should not be taken as advice to buy, sell or hold any security. In preparing the information contained in this text, we have not taken into account the investment needs, objectives and financial circumstances of any particular investor. This information has no regard to the specific investment objectives, financial situation and particular needs of any specific recipient of this information and investments discussed may not be suitable for all investors.