



## 2008 Annual Limits Relating to Financial Planning

Qualified Plans	Education
Elective deferrals 401(k), 403(b), 457, and SARSEPs \$15,500 Catch-up contribution \$5,000 Defined contribution (\$415) \$46,000 Defined benefit (\$415) \$185,000 SIMPLE plan \$10,500 SIMPLE catch-up contribution \$2,500 Maximum includible compensation \$230,000 Highly compensated employee \$105,000 Key employee (top-heavy plan) >\$150,000 SEP participation limit \$500 IRA or Roth IRA contribution limit \$5,000 IRA or Roth IRA catch-up \$1,000 IRA deduction phaseout for active participants Single \$53-\$63,000 Married filing jointly <sup>1</sup> \$85-\$105,000 Married filing separately \$0-\$10,000 Roth IRA phaseout Single \$101-\$116,000 Married filing jointly \$159-\$169,000	EE bonds for education—phaseout of exclusion: AGI—filing single Minimum \$67,100 Maximum \$82,100 AGI—filing jointly Minimum \$100,650 Maximum \$130,650 Coverdell Education Savings Account phaseout Single \$95-\$110,000 Married-filing jointly \$190-\$220,000 Hope & Lifetime Learning Credit phaseout Unmarried \$48-\$58,000 Married filing jointly \$96-\$116,000 Hope credit 100% up to \$1,200 of qualified expenses 50% on next \$1,200 Education loan deduction phaseout Unmarried \$55-\$70,000 Married filing jointly \$115-\$145,000
Social Security	Income Tax Exemptions and Deductions
SS taxable wage base \$102,000 SS tax rate—employee <sup>2</sup> 7.65% SS tax rate—self-employed 15.30% Earnings limitation: Below NRA (\$1 for \$2) \$13,560 Persons reaching NRA (\$1 for \$3) \$36,120 (Applies only to earnings for months prior to attaining NRA) Social Security cost-of-living adjustment 2.3% Quarter of coverage \$1,050 Maximum benefit: worker retiring at NRA <sup>3</sup> \$2,185	Personal exemption \$3,500 Phaseout of personal exemption Single \$159,950 Joint \$239,950 Head of household \$199,950 Married—separate \$119,975 Standard deduction Single \$5,450 Joint \$10,900 Head of household \$8,000 Married-filing separately \$5,450 Kiddie tax standard deduction \$900 Elderly or blind additional deduction Single \$1,350 Married \$1,050 Phaseout of itemized deductions Married filing separately \$79,975 All others \$159,950 Section 179 Maximum election \$128,000 Phaseout begins \$510,000 Adoption credit Maximum \$11,650 Phaseout \$174,730-\$214,730
Estate and Gift Tax	Standard Mileage Rates
Annual gift tax exclusion \$12,000 Estate tax exclusion \$2,000,000 Gift tax exclusion \$1,000,000 Generation skipping \$2,000,000	Business use 50.5¢ per mile Charitable use 14¢ per mile Medical or moving use 19¢ per mile
Health Savings Account	
Minimum Deductible amount Single \$1,100 Family \$2,200 Maximum Out-of-Pocket Amount Single \$5,600 Family \$11,200 HSA Statutory Contribution Maximum Single \$2,900 Family \$5,800 Catch-Up Contribution (age 55 older) \$900	

This material is being provided for informational purposes only, and should not be construed or interpreted as tax advice. You should seek the assistance of a professional tax advisor to discuss how these figures could affect your individual situation.

<sup>1</sup> For Married Couples who file a joint return and only one spouse is an active participant, the AGI phaseout is \$159,000-169,000

<sup>2</sup> The Social Security tax Rate is comprised of two separate payroll taxes: 6.2% for Old-Age, Survivors, and Disability Insurance (OASDI) and 1.45% for Hospital Insurance (HI).

<sup>3</sup> For Retirees born in 1940, NRA is 65 and 6 months; for retirees born in 1941, it is 65 and 8 months