

2009 Tax Summary

Federal income tax rates

Taxable income between:

Single

\$0-\$8,350	10%
\$8,350-\$33,950	15%
\$33,950-\$82,250	25%
\$82,250-\$171,550	28%
\$171,550-\$372,950	33%
\$372,950 and over	35%

Married, filing jointly

\$0-\$16,700	10%
\$16,700-\$67,900	15%
\$67,900-\$137,050	25%
\$137,050-\$208,850	28%
\$208,850-\$372,950	33%
\$372,950 and over	35%

Head of household

\$0-\$11,950	10%
\$11,950-\$45,500	15%
\$45,500-\$117,450	25%
\$117,450-\$190,200	28%
\$190,200-\$372,950	33%
\$372,950 and over	35%

Married, filing separately

\$0-\$8,350	10%
\$8,350-\$33,950	15%
\$33,950-\$68,525	25%
\$68,525-\$104,425	28%
\$104,425-\$186,475	33%
\$186,475 and over	35%

Estates and trusts

\$0-\$2,300	15%
\$2,300-\$5,350	25%
\$5,350-\$8,200	28%
\$8,200-\$11,150	33%
\$11,150 and over	35%

Standard deduction

Single:	\$5,700
Married, filing jointly:	\$11,400
Head of household:	\$8,350
Married, filing separately:	\$5,700

Additional standard deduction for taxpayers who are age 65 or older, or who are blind: \$1,100 for married taxpayers, \$1,400 for single taxpayers.

Itemized deductions begin phase-out at

Single:	\$166,800
Married, filing jointly:	\$166,800
Head of household:	\$166,800
Married, filing separately:	\$83,400

Personal exemption:

\$3,650

Personal exemptions begin phase-out at

Single:	\$166,800
Married, filing jointly:	\$250,200
Head of household:	\$208,500
Married, filing separately:	\$125,100

Kiddie tax exemption:

\$1,900

A "kiddie" is up to age 18, or ages 19-23 if full-time student, provided child's earned income does not exceed ½ of his/her support

Rates for long-term capital gains and qualified dividends

10% and 15% brackets:	0%
Above 15% bracket:	15%
Capital gains on collectibles:	28%

IRA

IRA contribution (under age 50):	\$5,000
IRA contribution (50 and older):	\$6,000
IRA deduction phase-out (qualified plan participant):	
- Single or HOH:	\$55,000-\$65,000
- Married, filing jointly:	\$89,000-\$109,000
- Married, filing separately:	\$0-\$10,000
- Spousal IRA deduction phase-out:	\$166,000-\$176,000

Phase-out of Roth IRA contribution eligibility

Single:	\$105,000-\$120,000
Married, filing jointly:	\$166,000-\$176,000
Married, filing separately:	\$0-\$10,000

No Roth conversion if MAGI exceeds \$100,000 or married, filing separately. (No income limit beginning 2010.)

SEP

SEP contribution:	up to 25% of compensation (limit \$49,000)
Minimum compensation for SEP participant:	\$550

SIMPLE

SIMPLE elective deferral (under age 50):	\$11,500
SIMPLE elective deferral (50 and older):	\$14,000

Individual 401(k)

Employer contribution:	up to 25% of compensation
Employee salary deferral (under 50):	\$16,500
Employee salary deferral (50 and older):	\$22,000
Total employer & employee additions:	\$49,000
	(\$54,500 age 50 and older)

Other retirement plans

401(k), 403(b), ¹ 457, and SARSEP elective deferral (under 50):	\$16,500
401(k), 403(b), ¹ 457, ² and SARSEP elective deferral (50 & older):	\$22,000
Limit on additions to defined contribution plans:	\$49,000
Annual benefit limit on defined benefit plans:	\$195,000
Highly compensated employee makes:	\$110,000
Maximum compensation taken into account for qualified plans:	\$245,000

Federal gift and estate tax

Gift tax annual exclusion:	\$13,000
Annual exclusion for gift to non-citizen spouse:	\$133,000
Highest estate and gift tax rate:	45%
Estate tax exclusion amount:	\$3,500,000
	(but no more than \$1,000,000 during life)
Generation skipping transfer tax exclusion:	\$3,500,000

Social Security

Maximum earnings (during working years) subject to FICA tax:	\$106,800
Income ³ (in retirement) causing Social Security Benefits to be taxable:	
Single or HOH	
50% taxable:	\$25,000 MAGI
85% taxable:	\$34,000 MAGI
Married, filing jointly	
50% taxable:	\$32,000 MAGI
85% taxable:	\$44,000 MAGI

Maximum earnings (from a job) between age 62 and normal Social Security Retirement age before Social Security benefits are reduced \$1 for every additional \$2 earned: \$14,160

LTC

Maximum premium amount allowed as a medical expense (deductible to extent all medical expenses exceed 7.5% AGI):	
Under age 40:	\$320
Ages 40-49:	\$600
Ages 50-59:	\$1,190
Ages 60-69:	\$3,180
Age 70 and older:	\$3,980

Information is accurate at time of printing, January 2009.

Coming in 2010: Roths available for more people

Roth IRAs will be a hot topic for 2009 and 2010. That's because beginning in 2010, people with MAGIs above \$100,000 or people who are married, filing separately will be able to convert to a Roth IRA. And, if you convert in 2010, you can spread the tax over tax years 2011 and 2012. If you want to convert in 2010, save now to make sure you have the liquidity to pay the taxes.

¹ Additional catch-up contributions may be available for 403(b) participants with 15 or more years of service.

² In last 3 years pre-retirement, 457 participants may be able to increase elective deferral if needed to catch up on missed contributions.

³ Most income, including municipal bond interest, but only ½ of Social Security benefits.

2009 Tax Summary

Uniform Lifetime Table

For use by:

- Unmarried owners
- Married owners whose spouses are not more than 10 years younger
- Married owners whose spouses are not the sole beneficiaries of their IRAs

(For married owners whose spouses are more than 10 years younger, use Joint Life Table from IRS Publication 590.)

Single Life Expectancy Table

Spouse beneficiary

Owner dies after Required Beginning Date (RBD): Beginning in the year following the year of the owner's death, recalculate spouse's single life expectancy each year while spouse survives, using spouse's age on birthday in that calendar year. When spouse dies, spouse's beneficiary can take over spouse's term certain life expectancy. For that, use spouse's age attained on the birthday in the calendar year of spouse's death. Reduce by one for each passing year. (Note: Spouse could instead roll over at owner's death.) **Death before RBD:** Same options as above, plus spouse can delay until owner would have turned 70½, or spouse can defer all distributions as long as all funds are distributed in five years.

Nonspouse beneficiary

Death after RBD: Beneficiary can take over beneficiary's term certain life expectancy. For that, use the beneficiary's age attained on the birthday in the calendar year after the calendar year of IRA owner's death. Reduce by one for each passing year. **Death before RBD:** Same option as above or beneficiary can defer all distributions as long as all funds are distributed in five years.

No designated beneficiary

Death after RBD: Inheritor can take over owner's term certain life expectancy. For that, use owner's age attained on the birthday in the calendar year of owner's death. Reduce by one for each passing year. **Death before RBD:** Distribute all within five years.

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AMK-105-FMO

Uniform Lifetime Table

Age	Distribution period	Age	Distribution period
10	86.2	63	33.9
11	85.2	64	33.0
12	84.2	65	32.0
13	83.2	66	31.1
14	82.2	67	30.2
15	81.2	68	29.2
16	80.2	69	28.3
17	79.2	70	27.4
18	78.2	71	26.5
19	77.3	72	25.6
20	76.3	73	24.7
21	75.3	74	23.8
22	74.3	75	22.9
23	73.3	76	22.0
24	72.3	77	21.2
25	71.3	78	20.3
26	70.3	79	19.5
27	69.3	80	18.7
28	68.3	81	17.9
29	67.3	82	17.1
30	66.3	83	16.3
31	65.3	84	15.5
32	64.3	85	14.8
33	63.3	86	14.1
34	62.3	87	13.4
35	61.4	88	12.7
36	60.4	89	12.0
37	59.4	90	11.4
38	58.4	91	10.8
39	57.4	92	10.2
40	56.4	93	9.6
41	55.4	94	9.1
42	54.4	95	8.6
43	53.4	96	8.1
44	52.4	97	7.6
45	51.5	98	7.1
46	50.5	99	6.7
47	49.5	100	6.3
48	48.5	101	5.9
49	47.5	102	5.5
50	46.5	103	5.2
51	45.5	104	4.9
52	44.6	105	4.5
53	43.6	106	4.2
54	42.6	107	3.9
55	41.6	108	3.7
56	40.7	109	3.4
57	39.7	110	3.1
58	38.7	111	2.9
59	37.8	112	2.6
60	36.8	113	2.4
61	35.8	114	2.1
62	34.9	115+	1.9

Single Life Expectancy Table

Age	Life expectancy	Age	Life expectancy
0	82.4	56	28.7
1	81.6	57	27.9
2	80.6	58	27.0
3	79.7	59	26.1
4	78.7	60	25.2
5	77.7	61	24.4
6	76.7	62	23.5
7	75.8	63	22.7
8	74.8	64	21.8
9	73.8	65	21.0
10	72.8	66	20.2
11	71.8	67	19.4
12	70.8	68	18.6
13	69.9	69	17.8
14	68.9	70	17.0
15	67.9	71	16.3
16	66.9	72	15.5
17	66.0	73	14.8
18	65.0	74	14.1
19	64.0	75	13.4
20	63.0	76	12.7
21	62.1	77	12.1
22	61.1	78	11.4
23	60.1	79	10.8
24	59.1	80	10.2
25	58.2	81	9.7
26	57.2	82	9.1
27	56.2	83	8.6
28	55.3	84	8.1
29	54.3	85	7.6
30	53.3	86	7.1
31	52.4	87	6.7
32	51.4	88	6.3
33	50.4	89	5.9
34	49.4	90	5.5
35	48.5	91	5.2
36	47.5	92	4.9
37	46.5	93	4.6
38	45.6	94	4.3
39	44.6	95	4.1
40	43.6	96	3.8
41	42.7	97	3.6
42	41.7	98	3.4
43	40.7	99	3.1
44	39.8	100	2.9
45	38.8	101	2.7
46	37.9	102	2.5
47	37.0	103	2.3
48	36.0	104	2.1
49	35.1	105	1.9
50	34.2	106	1.7
51	33.3	107	1.5
52	32.3	108	1.4
53	31.4	109	1.2
54	30.5	110	1.1
55	29.6	111+	1.0

(R-1/2009)