

# 2011 Tax Facts

## Ordinary Tax Rates and Brackets

	Taxable Income	Pay	% on excess	Of the amount over:
Single	\$0 - \$8,500	\$0	10%	\$0
	8,500 – 34,500	850.00	15	8,500
	34,500 – 83,600	4,750.00	25	34,500
	83,600– 174,400	17,025.00	28	83,600
	174,400 – 379,150	42,449.00	33	174,400
	379,150+	110,016.50	35	379,150
Married Filing Jointly	\$0 - \$17,000	\$0	10%	\$0
	17,000 – 69,000	1,700.00	15	17,000
	69,000 – 139,350	9,500.00	25	69,000
	139,350 – 212,300	27,087.50	28	139,350
	212,300 – 379,150	47,513.50	33	212,300
	379,150+	102,574.00	35	379,150
Married Filing Separately	\$0 - \$8,500	\$0	10%	\$0
	8,500 – 34,500	850.00	15	8,500
	34,500 – 69,675	4,750.00	25	34,500
	69,675– 106,150	13,543.75	28	69,675
	106,150 – 189,575	23,756.75	33	106,150
	189,575+	51,287.00	35	189,575
Head of Household	\$0 - \$12,150	\$0	10%	\$0
	12,150 – 46,250	1,215.00	15	12,150
	46,250– 119,400	6,330.00	25	46,250
	119,400 – 193,350	24,617.50	28	119,400
	193,350 – 379,150	45,323.50	33	193,350
	379,150+	106,637.50	35	379,150
Estates and Nongrantor Trusts	\$0 - \$2,300	\$0	15%	\$0
	2,300 – 5,450	345.00	25	2,300
	5,450 – 8,300	1,132.50	28	5,450
	8,300 – 11,350	1,930.50	33	8,300
	11,350+	2,937.00	35	11,350

- Long-term capital gains and qualified dividends are taxed at a maximum rate of 15%. Taxpayers in the 15% ordinary tax bracket or lower are subject to a 0% tax rate on long-term gains and qualified dividends (through 2012), but only to the extent their total taxable income stays below the top threshold for the 15% bracket (i.e. \$69,000 for a married couple filing jointly in 2011).

The income brackets to which the tax rates apply are adjusted annually for inflation. Robert W. Baird & Co. does not provide tax advice. Any investment strategies should be implemented under the supervision of a qualified tax advisor.

### Standard Deduction

	2011	2010	2009
Single	\$5,800	\$5,700	\$5,700
Married, filing jointly	\$11,600	\$11,400	\$11,400
Married, filing separately	\$5,800	\$5,700	\$5,700
Head of Household	\$8,500	\$8,400	\$8,350
Additional deduction for aged or blind – married	\$1,150	\$1,100	\$1,100
Additional deduction for aged or blind – single	\$1,450	\$1,400	\$1,400
Itemized deduction phase-out – married filing separate	n/a	n/a	\$83,400
Itemized deduction phase-out – all others	n/a	n/a	\$166,800

- The itemized deduction phaseout for taxpayers with AGI above certain thresholds has been eliminated for 2010-2012.
- The standard deduction for dependants is the greater of (i) \$950 or (ii) the sum of \$300 and the individual’s earned income

### Personal Exemptions

	2011	2010	2009
Exemption amount	\$3,700	\$3,650	\$3,650
Exemption threshold – single	n/a	n/a	\$166,800
Exemption threshold – joint	n/a	n/a	\$250,200
Exemption threshold – married filing separate	n/a	n/a	\$125,100
Exemption threshold – head of household	n/a	n/a	\$208,500

- The personal exemption phaseout for taxpayers with AGI above certain thresholds has been eliminated for 2010-2012.

### Kiddie Tax

	2011	2010	2009
Unearned income exempt from tax	\$950	\$950	\$950
Unearned income taxed at child’s rate	\$950	\$950	\$950
Point at which income is taxed to parent	\$1,900	\$1,900	\$1,900

## Alternative Minimum Tax

	Taxable Income	Pay	% on excess	Of the amount over:
Single, Head of Household, Married Filing Joint	\$0 - \$175,000	\$0	26%	\$0
	\$175,001 and above	\$45,500	28%	\$175,000
Married Filing Separate	\$0 - \$87,500	\$0	26%	\$0
	\$87,501 and above	\$22,750	28%	\$87,500

- For AMT purposes, long-term capital gains and qualified dividends are taxed at a maximum rate of 15%.

## Retirement Plan Contribution Limits

	2011	2010	2009
IRA and Roth IRA regular contributions	\$5,000	\$5,000	\$5,000
IRA and Roth IRA catch-up contributions	\$1,000	\$1,000	\$1,000
AGI when IRA deduction phase-out begins – single	\$56,000	\$56,000	\$55,000
AGI when IRA deduction is fully phased-out – single	\$66,000	\$66,000	\$65,000
AGI when IRA deduction phase-out begins – married	\$90,000	\$89,000	\$89,000
AGI where IRA deduction is fully phased-out – married	\$110,000	\$109,000	\$109,000

401(k), 403(b) regular contributions	\$16,500	\$16,500	\$16,500
401(k), 403(b) catch-up contributions	\$5,500	\$5,500	\$5,500
Profit Sharing or MPP	\$49,000	\$49,000	\$49,000
Individual 401(k) (Salary Deferral + Profit Sharing)	\$49,000	\$49,000	\$49,000
Individual 401(k) (Salary Deferral + Profit Sharing) Including Age 50+ Catch-up	\$54,500	\$54,500	\$54,500
SIMPLE IRA regular contributions	\$11,500	\$11,500	\$11,500
SIMPLE IRA catch-up contributions	\$2,500	\$2,500	\$2,500
SEP plan contributions	\$49,000	\$49,000	\$49,000
Total Defined Contribution plan contributions	\$49,000	\$49,000	\$49,000

- Catch-up contributions are available to taxpayers age 50 and older by 12/31/11.
- Roth IRA contributions in 2011 begin to be phased-out for married taxpayers with AGI of \$169,000 (\$107,000 for single taxpayers) and is fully phased out for married taxpayers with AGI of \$179,000 (\$122,000 for single taxpayers).

## Social Security Taxes and Benefits

	2011	2010	2009
Maximum wages subject to FICA tax	\$106,800	\$106,800	\$106,800
Maximum earned income before reduction in SS benefits (up to full retirement age)	\$14,160	\$14,160	\$14,160
Maximum SS benefit, retiring at full retirement age	\$2,366/mo	\$2,346/mo	\$2,323/mo

- Earned income above threshold, for taxpayers younger than full retirement age, results in reduced Social Security benefits. Benefit amount is reduced by \$1 for every \$2 over the threshold.
- Maximum benefits provided by Social Security Department website, [www.ssa.gov](http://www.ssa.gov).

## Health Savings Accounts

	2011	2010	2009
Contribution Limit – Single Coverage	\$3,050	\$3,050	\$3,000
Contribution Limit – Family Coverage	\$6,150	\$6,150	\$5,950
High Deductible Amount – Single	\$1,200	\$1,200	\$1,150
High Deductible Amount – Family	\$2,400	\$2,400	\$2,300

## Estate Planning – Estate and Gift Tax Exemption and Annual Gift Exclusion

Decedents dying in:	Exemption Amount	Tax Rate
2007- 2008	\$2,000,000	45%
2009	\$3,500,000	45%
2010	\$5,000,000, but estates may elect no estate tax, with capital gain tax on appreciation above \$1.3 million	35%
2011	\$5,000,000	35%

- Beginning January 1, 2011, individuals may use the full \$5 million exemption to make lifetime gifts without incurring gift tax. Married couples may make tax-free gifts of up to \$10 million. Prior to 2011, the exemption for gifts made during lifetime had been limited to \$1,000,000. The new 35% tax rate will apply to gifts above the exemption amount.

	2011	2010	2009
Annual Gift Tax exclusion	\$13,000	\$13,000	\$13,000

- The annual exclusion is indexed annually for inflation, but increases are only made in \$1,000 increments.