

## 2012 ESTATE AND GIFT TAX RATES<sup>#</sup>

Any taxable estate or taxable gift above the current Federal credit will incur a flat 35% Federal tax rate.

### Subtract Applicable Credit Below from Calculated Tax

Estate Tax	Exclusion Amount	Federal Credit	Gift Tax Exclusion
2009	\$3,500,000	\$1,455,800*	\$1,000,000
2010	Estate tax repealed, gift tax remains*^#		1,000,000
2011*	5,000,000	1,730,800	5,000,000
2012*	5,120,000	1,772,800	5,120,000

### Other Estate and Gift Planning Items

	2011	2012
Annual gift tax exclusion	\$13,000	\$13,000
Annual gift tax exclusion for non-U.S. citizen spouses	136,000	139,000
Generation skipping tax (GST) exemption	5,000,000	5,120,000
IRC § 6166 2% limit for deferred estate tax payments	1,360,000	1,390,000
Special use valuation for qualified real property	1,000,000	1,040,000

## TRADITIONAL AND ROTH IRAS

### Contribution Limits

	2006–2007	2008–2012
Regular	\$4,000	\$5,000
Catch-Up**	1,000	1,000

\*\*Only taxpayers age 50 and over are eligible to make catch-up contributions.

### Roth Contribution Phase-Out

MAGI phase-out range for contributions to Roth IRAs in 2012		
• Married filing jointly: \$173,000–183,000	• Married filing separately: \$0–10,000	• Single: \$110,000–125,000

Annual income limit for determining ability to convert traditional IRA to Roth IRA is \$100,000 in 2009; no limit in 2010 and subsequent years.

\*Federal credit for gift taxes limited to \$345,800.

#Estates of decedents dying in 2010 can elect to apply 2011 rates and exclusions and step-up in basis in lieu of no estate tax and modified step-up in basis.

^Gift tax rate is 35% for 2010.

## TRADITIONAL AND ROTH IRAS (CONT'D)

### Traditional IRA Deductibility Rules

Filing Status	Covered by Employer's Retirement Plan?	Modified AGI 2011	Modified AGI 2012	Deductibility
Single	No	Any amount	Any amount	Full deduction
	Yes	\$56,000 or less	\$58,000 or less	Full deduction
		\$56,001–\$65,999	\$58,001–\$67,999	Partial deduction
		\$66,000 or more	\$68,000 or more	No deduction
Married Filing Jointly	Neither Spouse Covered	Any amount	Any amount	Full deduction
	Both Spouses Covered	\$90,000 or less	\$92,000 or less	Full deduction
		\$90,001–\$109,999	\$92,001–\$111,999	Partial deduction
		\$110,000 or more	\$112,000 or more	No deduction
	One Spouse Covered—For Covered Spouse	\$90,000 or less	\$92,000 or less	Full deduction
		\$90,001–\$109,999	\$92,001–\$111,999	Partial deduction
		\$110,000 or more	\$112,000 or more	No deduction
		\$169,000 or less	\$173,000 or less	Full deduction
One Spouse Covered—For Non-Covered Spouse		\$169,001–\$178,999	\$173,001–\$182,999	Partial deduction
	\$179,000 or more	\$183,000 or more	No deduction	

### QUALIFIED PLANS

	2011	2012
Maximum elective deferral to retirement plans, (e.g., 401(k), 403(b) and 457 plans, and SARSEPs)	\$16,500	\$17,000
Maximum elective deferral to SIMPLE 401(k) plans	11,500	11,500
Limit on annual additions to SEP plans	49,000	50,000
Annual compensation threshold requiring SEP contribution	550	550
Limit on annual additions to defined contribution plans	49,000	50,000
Maximum annual compensation taken into account for contributions	245,000	250,000
Annual benefit limit under defined benefit plans	195,000	200,000
Threshold amount for definition of highly compensated employee	110,000	115,000
Threshold amount for definition of key employee/officer in top-heavy plans	160,000	165,000

### Catch-up Contribution Limits for Other Qualified Plan Types

	2008	2009	2010	2011	2012
401(k), 403(b), SARSEP and 457 Plans	\$5,000	5,500	5,500	5,500	5,500
SIMPLE Plans	\$2,500	2,500	2,500	2,500	2,500

## REQUIRED MINIMUM DISTRIBUTIONS

### Uniform Lifetime Table

Current Age	Distribution Period	Current Age	Distribution Period
70	27.4	93	9.6
71	26.5	94	9.1
72	25.6	95	8.6
73	24.7	96	8.1
74	23.8	97	7.6
75	22.9	98	7.1
76	22.0	99	6.7
77	21.2	100	6.3
78	20.3	101	5.9
79	19.5	102	5.5
80	18.7	103	5.2
81	17.9	104	4.9
82	17.1	105	4.5
83	16.3	106	4.2
84	15.5	107	3.9
85	14.8	108	3.7
86	14.1	109	3.4
87	13.4	110	3.1
88	12.7	111	2.9
89	12.0	112	2.6
90	11.4	113	2.4
91	10.8	114	2.1
92	10.2	115 and Over	1.9

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# EASY REFERENCE TAX GUIDE 2012



INCOME TAX COMPARISON			
2011			
If Taxable Income Is			
Over	But Not Over	The Tax Is	Of The Amount Over
<b>Married Filing Jointly and Surviving Spouses</b>			
\$0	\$17,000	\$0 + 10%	\$0
17,000	69,000	\$1,700 + 15%	17,000
69,000	139,350	\$9,500 + 25%	69,000
139,350	212,300	\$27,088 + 28%	139,350
212,300	379,150	\$47,514 + 33%	212,300
379,150	—	\$102,574 + 35%	379,150
<b>Single</b>			
\$0	\$8,500	\$0 + 10%	\$0
8,500	34,500	\$850 + 15%	8,500
34,500	83,600	\$4,750 + 25%	34,500
83,600	174,400	\$17,025 + 28%	83,600
174,400	379,150	\$42,449 + 33%	174,400
379,150	—	\$110,017 + 35%	379,150
<b>Married Filing Separately</b>			
\$0	\$8,500	\$0 + 10%	\$0
8,500	34,500	\$850 + 15%	8,500
34,500	69,675	\$4,750 + 25%	34,500
69,675	106,150	\$13,544 + 28%	69,675
106,150	189,575	\$23,757 + 33%	106,150
189,575	—	\$51,287 + 35%	189,575
<b>Head of Household</b>			
\$0	\$12,150	\$0 + 10%	\$0
12,150	46,250	\$1,215 + 15%	12,150
46,250	119,400	\$6,330 + 25%	46,250
119,400	193,350	\$24,618 + 28%	119,400
193,350	379,150	\$45,324 + 33%	193,350
379,150	—	\$106,638 + 35%	379,150
<b>Estates and Trusts</b>			
\$0	\$2,300	\$0 + 15%	\$0
2,300	5,450	\$345 + 25%	2,300
5,450	8,300	\$1,133 + 28%	5,450
8,300	11,350	\$1,931 + 33%	8,300
11,350	—	\$2,937 + 35%	11,350

INCOME TAX COMPARISON			
2012			
If Taxable Income Is			
Over	But Not Over	The Tax Is	Of The Amount Over
<b>Married Filing Jointly and Surviving Spouses</b>			
\$0	\$17,400	\$0 + 10%	\$0
17,400	70,700	\$1,740 + 15%	17,400
70,700	142,700	\$9,735 + 25%	70,700
142,700	217,450	\$27,735 + 28%	142,700
217,450	388,350	\$48,665 + 33%	217,450
388,350	—	\$105,062 + 35%	388,350
<b>Single</b>			
\$0	\$8,700	\$0 + 10%	\$0
8,700	35,350	\$870 + 15%	8,700
35,350	85,650	\$4,867 + 25%	35,350
85,650	178,650	\$17,442 + 28%	85,650
178,650	388,350	\$43,482 + 33%	178,650
388,350	—	\$112,683 + 35%	388,350
<b>Married Filing Separately</b>			
\$0	\$8,700	\$0 + 10%	\$0
8,700	35,350	\$870 + 15%	8,700
35,350	71,350	\$4,867 + 25%	35,350
71,350	108,725	\$13,867 + 28%	71,350
108,725	194,175	\$24,332 + 33%	108,725
194,175	—	\$52,531 + 35%	194,175
<b>Head of Household</b>			
\$0	\$12,400	\$0 + 10%	\$0
12,400	47,350	\$1,240 + 15%	12,400
47,350	122,300	\$6,482 + 25%	47,350
122,300	198,050	\$25,220 + 28%	122,300
198,050	388,350	\$46,430 + 33%	198,050
388,350	—	\$109,229 + 35%	388,350
<b>Estates and Trusts</b>			
\$0	\$2,400	\$0 + 15%	\$0
2,400	5,600	\$360 + 25%	2,400
5,600	8,500	\$1,160 + 28%	5,600
8,500	11,650	\$1,972 + 33%	8,500
11,650	—	\$3,011 + 35%	11,650

PERSONAL EXEMPTIONS					
	Exemption	Phase-out Range			
Married Filing Jointly	2011	\$3,700	Not Applicable		
	2012	\$3,800	Not Applicable		
Single	2011	\$3,700	Not Applicable		
	2012	\$3,800	Not Applicable		
<b>Child Tax Credit:</b> \$1,000 per child phases out \$50 for each \$1,000 of modified AGI over \$110,000 (married filing jointly), or \$75,000 (single).					
Standard Deductions	Annual	Add'l Age 65 or Older, or Blind			
Married Filing Jointly	2012	\$11,900	\$1,150		
Head of Household	2012	\$8,700	\$1,450		
Single/Married Filing Separately	2012	\$5,950	\$1,450		
<b>Capital Gains Tax (2010–2012)</b>					
Taxpayer in	Short Term < 12 Months	Long Term > 12 Months			
10% or 15% Bracket	Ordinary rate	0%			
Other Brackets	Ordinary rate	15%			
<b>Alternative Minimum Tax</b>					
	2011	2012	Tax Rate		
First	\$175,000	\$175,000	26%		
Amounts over	\$175,000	\$175,000	28%		
	Exemption	Exemption			
Married Filing Jointly	\$74,450	Unknown	—		
Single	\$48,450	Unknown	—		
<b>Kiddie Tax</b>					
	2011	2012	Tax Rate		
First	\$950	\$950	No Tax		
Next	\$950	\$950	10%		
Amounts over	\$1,900	\$1,900	Parent's Rate		
<b>Corporations (2010–2012)<sup>1</sup></b>					
Taxable Income Over	Not Over	Tax Rate			
\$0	\$50,000	15%			
\$50,000	\$75,000	25%			
\$75,000	\$100,000	34%			
\$100,000	\$335,000	39%			
\$335,000	\$10,000,000	34%			
\$10,000,000	\$15,000,000	35%			
\$15,000,000	\$18,333,333	38%			
\$18,333,333	—	35%			
<b>Long-Term Care Insurance<sup>2</sup></b>					
Maximum Qualified LTC Premium Eligible for Deduction					
Age	40 or less	41–50	51–60	61–70	Over 70
2011	\$340	640	1,270	3,390	4,240
2012	\$350	660	1,310	3,500	4,370

<sup>1</sup>Qualified personal service corporations are taxed at a flat 35% of taxable income.

<sup>2</sup>Qualified LTC contract per diem limit: \$310 (\$300 in 2011).

EDUCATION INCENTIVES		
<b>Coverdell Education Savings Accounts (Education IRAs)—Contribution Limit \$2,000</b>		
MAGI phase-out range for contributions to Coverdell Education Savings Accounts:		
• Married Filing Jointly \$150,000–\$160,000	• Single \$95,000–\$110,000	
<b>Qualified Tuition Programs—Section 529 Plans</b>		
Distributions after 12/31/2001 used for qualified higher education expenses are income tax free.		
<b>Lifetime Learning and American Opportunity Tax Credits</b>		
Lifetime Learning Credit—Up to 20% of up to \$10,000 tuition paid, calculated per taxpayer. American Opportunity Tax Credit—Up to \$2,500 per student for first 4 years of higher education tuition paid.		
MAGI Phase-outs	American Opportunity 2012	Lifetime Learning 2012
Married Filing Jointly	\$160,000–180,000	\$104,000–124,000
Others	\$80,000–90,000	\$52,000–62,000
<b>Exclusion of U.S. Savings Bond Income</b>		
MAGI Phase-outs	2011	2012
Married Filing Jointly	\$106,650–\$136,650	\$109,300–\$139,300
Others	\$71,100–\$86,100	\$72,850–\$87,850
<b>Student Loan Interest—Maximum Itemized Deduction \$2,500</b>		
MAGI Phase-outs	2011	2012
Married Filing Jointly	\$120,000–\$150,000	\$125,000–\$155,000
Others	\$60,000–\$75,000	\$60,000–\$75,000
Deductibility Period	No time limit	No time limit
<b>Itemized Deduction for Higher Education Expenses</b>		
Maximum deduction: \$4,000 if Modified AGI is less than the following range:		
Maximum deduction: \$2,000 if Modified AGI is within the following range:		
Maximum deduction: \$0 if Modified AGI is above the following range:		
• Married Filing Jointly: \$130,000–\$160,000	• Single: \$65,000–\$80,000	
• All others: \$0		
SOCIAL SECURITY*		
<b>Base Amount of Modified AGI Causing Social Security Benefits to be Taxable</b>		
	50% Taxable	85% Taxable
Married Filing Jointly	\$32,000	\$44,000
Single	25,000	34,000
<b>Maximum Earnings Before Social Security Benefits are Reduced</b>		
	2011	2012
If under full retirement age, lose \$1 for every \$2 earned	\$14,160	\$14,640
In the year of retirement, lose \$1 for every \$3 earned in months prior to full retirement	37,680	38,880
<b>At full retirement age</b>	<b>No Limit</b>	<b>No Limit</b>
<b>Maximum Compensation Subject to FICA Taxes</b>		
	2011	2012
OASDI (Social Security) maximum	\$106,800	\$110,100
HI (Medicare) maximum	No Limit	No Limit

\*Assumes Congressional action. OASDI tax rate: 10.4% self-employed, 4.2% employees, 6.2% employers. HI tax rate: 2.9% self-employed, 1.45% employees.