## Advanced Sales

## 2012 Tax Update

Income Taxes						Estate & Gift Taxes						
2011						2012		For Deaths / Gifts Occurring in 2012				
If Taxable I			Of The		Income Is:		Of The	5	Estate Is:		Of The	
	But Not >	The Tax Is	: Amount >	Over	But Not >	The Tax Is:	Amount >	Over	But Not >	The Tax Is:		
Married Filin	•••	¢0 ± 100	6 <b>\$</b> 0	02	\$17.400	\$0 ± 100/	02	\$0	\$10,000	\$0 + 18%	\$0	
\$0 17,000	\$17,000 69,000	\$0 + 109 1,700 + 159		\$0 17,400	\$17,400 70,700	\$0 + 10% 1,740 + 15%		10,000 20,000	20,000 40,000	1,800 + 20% 3,800 + 22%	10,000 20,000	
69,000	139,350	1,700 + 137 9,500 + 259		70,700	142,700	9,735 + 25%		40,000	60,000	3,800 + 22% 8,200 + 24%	40,000	
139,350	212,300	9,300 + 239 27,088 + 289		142,700	217,450	9,735 + 23% 27,735 + 28%		40,000 60,000	80,000	8,200 + 24% 13,000 + 26%	40,000 60,000	
212,300	379,150	47,514 + 339		217,450	388,350	48,665 + 33%		80,000	100,000	13,000 + 20% 18,200 + 28%	80,000	
379,150		102,574 + 359		388,350		105,062 + 35%		100,000	150,000	23,800 + 30%	100,000	
Single:		102,0711007	577,100	200,220		100,002 - 0070	500,000	150,000	250,000	38,800 + 32%	150,000	
\$0	\$8,500	\$0+109	6          \$0	\$0	\$8,700	\$0 + 10	% \$0	250,000	500,000	70,800 + 34%	250,000	
8,500	34,500	850 + 159	6 8,500	8,700	35,350	870 + 15	% 8,700	500,000		155,800 + 35%	500,000	
34,500	83,600	4,750 + 259	6 34,500	35,350	85,650	4,868 + 25	% 35,350	Subtract a	pplicable cred	it below from calcu	ated tax	
83,600	174,400	17,025 + 289	6 83,600	85,650	178,650	17,443 + 28	% 85,650		Exclusion	n Amount App	icable Credit	
174,400	379,150	42,449 + 33%	6 174,400	178,650	388,350	43,483 + 33	% 178,650	2011	:	\$5,000,000	\$1,730,800	
379,150		110,017 + 35%	6 379,150	388,350		112,684 + 35	% 388,350	2012	:	\$5,120,000	\$1,772,800	
Estates & Th	rusts:											
\$0	\$2,300	\$0+15%		\$0	\$2,400	\$0 + 15%	\$0			ax Exclusion sam	e as Estate	
2,300	5,450	345 + 25%	6 2,300	2,400	5,600	360 + 25%	2,400	Tax Exclusion	amount.			
5,450	8,300	1,133 + 28%		5,600	8,500	1,160 + 28%	5,600	Annual Gift 7	fax Exclusio	on: \$13,000 (\$13	.000 in 2011	
8,300	11,350	1,931 + 339		8,500	11,650	1,972 + 33%	8,500				·	
11,350		2,937 + 35%	6 11,350	11,650		3,012 + 35%	11,650			12, an executor c		
Capital Gair		<u>Taxpay</u>		-	•	tax years since 199	,	allocate the un amount to the	1	of a decedent's e	exclusion	
(2011 & 201	10, 1	5% Brackets	Other Brackets	\$0	\$50,000	\$0 + 15%	\$0	amount to the	surviving spo	ouse.		
S-T < 12 mos.		Ordinary rate	Ordinary rate	50,000	75,000	7,500 + 25%	50,000					
L-T > 12 mos.		0%	15%	75,000 100,000	100,000 335,000	13,750 + 34% 22,250 + 39%	75,000 100,000		Social	l Security		
Dualified Divi	dande	0%	15%	335,000	10,000,000	113,900 + 34%	335,000					
								, v		ausing Soc. Sec.		
Kiddie Tax:	Unearned inc. 2011	<18 (<24 & curi 2012	rent FT student)	10,000,000 15,000,000	15,000,000 18,333,333	3,400,000 + 35% 5,150,000 + 38%	10,000,000 15,000,000	Taxable: Married Filing J		<u>% taxable 8</u> \$32,000	35% taxable \$44,000	
Firs			No Tax	13,000,000		6,416,667 + 35%	18,333,333	0	-	\$32,000 \$25,000	\$44,000 \$34,000	
Nex	kt \$950	\$950	10% Tax	· · ·	Corporation: F		10,333,333	Single		\$25,000	<i>ф</i> 5 <b>-</b> ,000	
Amounts Ove	r \$1,900	\$1,900	Parents' Rate	Trojessiona	corporation. I	100000						
Standard Deductions:         Annual         Addt'l Age 65           Or Older, or         Blind				Long-Term Care Insurance Max. Qualified LTC Premiums Eligible for Deduction:				Max. Earnings Before Soc. Sec. Benefits are Reduced:         Assumes full retirement age is 65       2011       2012         Under age 65 (lose \$1 for every \$2)       \$14,160       \$14,640				
Married Fil	ing 201	1 \$11,600	\$1,150	Age 4	0 or less 41-5	50 51-60 61	-70 Over 70	Age 65 and over		No limit	No limit	
Jointly	201	2 \$11,900	\$1,150	2011	\$340 \$64	0 \$1,270 \$3,	390 \$4,240					
	201		\$1,450	2011	\$350 \$66			Maximum Compensation Subject to FICA Taxes:				
Single	201		\$1,450			iem limit: \$310		intaximum Co	mpensation	•	2012	
Limit on Ite	mized Dedu	etions.					· · · · · ·	Social Securi	ty maximum	\$106,800	\$110,100	
	-	rough end of	2012	Personal E	Exemptions:	Exemption	on		re maximum		No Limit	
Child Tax C	Tredit:					<u>2011</u>	2012					
		ut \$50 for each 3		Married Fili	ng Jointly	\$3,700	\$3,800	*Social Security	tax rate:			
over \$110,000	0 (married fili	ing joint), or \$7.	5,000 (single)	Single		\$3,700	\$3,800	Through 2/29/20	012: 10.4% selj	f-employed, 4.2% e	mployees.	
			Qualif	ied Plans				Beginning 3/1/1	2: 12.4% self-e	employed, 6.2% emp	oloyees.	
						2011	2012					
Maximum elective deferral to retirement plans, e.g., 401(k), 403(b)					\$16,500	\$17,000	*Medicare tax r	ate: 2.9% self-	employed, 1.45% e	mployees.		
Maximum elective deferral to SIMPLE IRA and SIMPLE 401(k) plans					olans	\$11,500	\$11,500					
Maximum elective deferral to 457 plans of tax-exempt employers					\$16,500	\$17,000	This informati	on is as of 0	1/01/2012 and is			
Limit on annual additions to SEP IRA plans						\$49,000	\$50,000			he future by legis	slation.	
Annual compensation threshold requiring SEP IRA 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						
						\$195,000	\$200,000					
Annual benefit limit under defined benefit plans						\$193,000						
Threshold amount for definition of highly compensated employee Threshold amount for definition of key employee in top-heavy plans						-	\$115,000 \$165,000					
Pension Benefit Guaranty Corp. monthly pension amt.(age 65, single life)						\$160,000 \$4,500	\$165,000 \$4,653					
i ension den	uaran	ty Corp. mont	my pension ant	.(age 05, sing	sie me)	\$4,500	\$4,653					

Please note that Allstate and its licensed representatives do not provide legal or tax advice.

Consult an attorney or tax advisor.

## **Advanced Sales**

## 2012 Tax Update

Aavano	cea Sales			Tax Opdate						
		Roth IRAs	5				RAs			
			<b>Contribution Limits – Traditional and Roth</b>							
	ase-Out Range for C	Contributions to Re		2006-2007	<u>2008-2011</u>	<u>2012</u>				
Married	Filing Jointly: \$17	3,000-\$183,000	Single: \$1	10,000-\$125,000	Regular	\$4,000	\$5,000	\$5,000		
					Catch-Up *	\$1,000	\$1,000	\$1,000		
<u>Roth II</u>	RA conversion rules:				* Only taxpay	vers age 50 and ov	ver are eligible			
2010* an	d later: Unlimited Mod	lified AGI and any tax	Uniform Lifetime Table							
			For calculating Required Minimum Distributions (RMDs) from							
* 2010 or	nly, conversion can spread	income over 2011 and	2012		4	Qualified Plans ar	nd Traditional IR	As		
	Trad	itional IRA Deduct	ibility Rules	<del></del>						
Filing	Covered by Employer's		fied AGI	Deductibility	Current Age	Distrib. Period	Current Age	Distrib. Period		
Status	Retirement Plan?	2011	2012		70	27.4	85	14.8		
Single	No	Any amount	Any amount	Full deduction	71	26.5	86	14.1		
		\$55,999 or less	\$57,999 or less	Full deduction	72	25.6	87	13.4		
~8	Yes	\$56,000 - \$65,999	\$58,000 - \$67,999	Partial deduction	73	24.7	88	12.7		
		\$66,000 or more	\$68,000 or more	No deduction	74	23.8	89	12.0		
	Neither Spouse Covered	Any amount	Any amount	Full deduction	75	22.9	90	11.4		
		\$89,999 or less	\$91,999 or less	Full deduction	76	22.0	91	10.8		
Married Filing Jointly	Both Spouses Covered	\$90,000 - \$109,999	\$92,000 - \$111,999	Partial deduction	77	21.2	92	10.2		
		\$110,000 or more	\$112,000 or more	No deduction	78	20.3	93	9.6		
		\$89,999 or less	\$91,999 or less	Full deduction	79	19.5	94	9.1		
	One Spouse Covered – For Covered Spouse	\$90,000 - \$109,999	\$92,000 - \$111,999	Partial deduction	80	18.7	95	8.6		
		\$110,000 or more	\$112,000 or more	No deduction	81	17.9	96	8.1		
		\$168,999 or less	\$172,999 or less	Full deduction	82	17.1	97	7.6		
	One Spouse Covered – For Non-Covered Spouse	\$169,000 - \$178,999	\$173,000 - \$182,999	Partial deduction	83	16.3	98	7.1		
		\$179,000 or more	\$183,000 or more	No deduction	84	15.5	99	6.7		
	Catch-Up Contrib	oution Limits for O	ther Qualified Plan T	ypes	Saver's Tax	Credit–Contrib	utions to Employ	er Plans & IRAs		
		2008	<u>2009</u> <u>2010</u>	<u>2011</u> <u>2012</u>	Maximum Credit \$1,000 per taxpayer - AGI limits below					
401(k), 40	3(b), SARSEP & 457 Plans	\$5,000 \$	\$5,500 \$5,500	\$5,500 \$5,500	Married File Jointly Single Credit					
SIMPLE I	IRA & SIMPLE 401(k) Plans	\$2,500	\$2,500 \$2,500	\$2,500 \$2,500	\$0 - \$34,500 \$0 - \$17,250 50% of contribut					
		Education Ince	ntives		\$34,501 - \$37,	500 \$17,251 -	- \$18,750 209	% of contribution		
Cove	rdell Education Saving	gs Accounts (Educa	tion IRAs) – Contribut	tion Limit \$2,000	\$37,501 - \$57,	500 \$18,751 -	- \$28,750 109	% of contribution		
Modified A	AGI Phase-Out Range for Cor	tributions to Coverdell E	ducation Savings Accounts:		Over \$57,	500 Over	\$28,750	Not Available		
Married F	Filing Jointly \$190,00	00 - \$220,000	Single	695,000 - \$110,000	Health Savings Accounts – HSAs					
	Qualified 7	Fuition Programs –	Section 529 Plans		An "eligible individual" is defined as (1) one covered by a high					
Distribut	ions for qualified higher e	-	deductible health plan (HDHP), (an annual deductible of \$1,200							
	<i>j j j j</i>	Hope Learning C	for single coverage and \$2,400 for family coverage where the							
Hone Cred	lit – Up to \$2,500 per student,	1 8			maximum out of pocket cannot exceed \$6,050 for single coverage and \$12,100 for family coverage), (2) is not covered					
-	AGI Phase-Outs:	2011	ner cuncation tuttion paul	2012	by any other health insurance except for some permitted					
U U		\$160,000 - \$180,000	\$160.00	<u>2012</u> 0 - \$180,000	0.11	coverages, (3) is not eligible for and enrolled in Medicare, and (4) cannot be claimed as a dependent on someone else's income				
Others	iling Jointly	\$80,000 - \$90,000		0 - \$180,000	(4) cannot be tax return.	claimed as a depe	indent on someon	le else s'income		
Others		Lifetime Learning		00 - \$90,000	Contribution	Limits:				
	Lifetime Learning Credit–Up			ner tarnaver	-		2011	<u>2012</u>		
			creau is φ2,000), cuic a		Single Family		3,050 6,150	\$3,100 \$6,250		
Modified A	AGI Phase-Outs:	2011		<u>2012</u>	· · · · · · · · · · · · · · · · · · ·					
Married F	iling Jointly	\$102,000 - \$122,000	\$104,00	0 - \$124,000	This information is provided by Allstate Life Insurance Company ("ALIC"), Home Office Northbrook, IL, Lincoln Benefit Life Company ("LBL"), Home Office, Lincoln, NE and					
Others		\$51,000 - \$61,000		00 - \$62,000	Allstate Life Insura	nce Company of New owned subsidiary of ALI	York ("ALICNY"), Ho	me Office, Hauppauge,		
	xclusion of U.S. Saving		Qualified Higher Educati		licensed to do busine	ss in NY. This material is ntended to provide legal,	s intended for general c	onsumer educational		
U U	AGI Phase-Outs:	<u>2011</u>		2012	ALICNY issue fixed and variable insurance products that are sold through agreements with affiliated or unaffiliated broker-dealers or agencies. Allstate Distributors LLC. serves as					
Married Filing Jointly		\$106,650 - \$136,650		0 - \$139,250	principal underwriter of certain SEC-registered contracts for ALIC, LBL and ALICN Variable products are sold by registered representatives, investment advisors, and age					
Others		\$71,100 - \$86,100		50 - \$87,850	Variable products are sold by registered representatives, investment advisors, are bank employees who are securities- and insurance-licensed agents.					
10 100 -			Maximum Deduction \$2,		© 2012 Allsta	te Insurance Cor	npany 1/12			
Ū.	AGI Phase-Outs:	<u>2011</u>		<u>2012</u>	-	© 2012 Allstate Insurance Company 1/12				
	Filing Jointly	\$120,000 - \$150,000 \$60,000 - \$75,000		0 - \$155,000 00 - \$75,000	I	LINCOLN BENEFIT LIFE				
Single Deductibil	lity Period	AN ALLSTATE COMPANY								
		No time limit	not provide legal or tay	No time limit	L					

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