2011 Tax Update

			Incon	ne Taxes	2011 1	ax Upu				Fetata &	Cift Tayor		
2010				le Taxes		2011			Estate & Gift Taxes For Deaths / Gifts Occurring in 2011				
If Taxable Income Is: Of The			If Taxab	le Income Is:	2011	<u> 2011 </u>		If Taxable Estate Is:		18 111 2011	Of The		
	But Not >	The Tax Is		Over	But Not >	The Tax	Is:	Of The Amount >	Over	But Not >	The Tax I		
Married Filin	ng Jointly:								\$0	\$10,000	\$0 + 189	6 \$0	
\$0	\$16,750	\$0 + 10%	6 \$0	\$0	\$17,000	\$0 +	10%	\$0	10,000	20,000	1,800 + 209	6 10,000	
16,750	68,000	1,675 + 15%		17,000		1,700 +		17,000	20,000	40,000	3,800 + 229		
68,000	137,300	9,363 + 25%		69,000		9,500 +		69,000	40,000	60,000	8,200 + 249		
137,300	209,250	26,688 + 28%		139,350		27,088 +		139,350	60,000	80,000	13,000 + 269		
209,250	373,650	46,834 + 33%		212,300		47,514 +		212,300	80,000	100,000	18,200 + 289		
373,650		101,086 + 35%	6 373,650	379,150		102,574 +	35%	379,150	100,000	150,000	23,800 + 309		
Single:	¢0 275	¢0 + 100	(¢o.	\$9.500	40	1.00/	0.2	150,000	250,000 500,000	38,800 + 329		
\$0 8,375	\$8,375 34,000	\$0 + 10% 838 + 15%		\$0 8,500	\$8,500 34,500		+ 10% + 15%	\$0 8,500	250,000 500,000	300,000	70,800 + 349 155,800 + 359		
34,000	82,400	4,681 + 25%		34,500	83,600	4,750		34,500			lit below from calc	*	
82,400	171,850	16,781 + 28%		83,600	174,400	17,025		83,600	Subtract	Exclusion	-	plicable Credit	
171,850	373,650	41,827 + 33%		174,400	379,150	42,449		174,400	201		5,000,000	\$1,730,800	
373,650		108,421 + 35%		379,150		110,017		379,150	2011-20		000,000**	\$1,730,800	
Estates & Tr	rusts:	,	,					,			x Exclusion is t		
\$0	\$2,300	\$0 + 15%	6 \$0	\$0	\$2,300	\$0 +	15%	\$0			ınt. (Gift Tax \$1	,	
2,300	5,350	345 + 25%	6 2,300	2,300	5,450	345 + 2	25%	2,300			n: \$13,000 (\$13 12, an executor c		
5,350	8,200	1,108 + 28%	5,350	5,450	8,300	1,133 +	28%	5,450	•		of a decedent's		
8,200	11,200	1,906 + 33%	6 8,200	8,300	11,350	1,931 +	33%	8,300	amount to the			CACIUSION	
11,200		2,896 + 35%	6 11,200	11,350		2,937 + 3	35%	11,350					
Capital Gain	ns:	<u>Taxpay</u>	ver in:	C-Corpor	rations: (for all	l tax years since	1993)		* The executor of an estate of a person who died in 2010 has two options: 1) Leave the estate untaxed however, the				
(2011 & 201	10)	15% Brackets	Other Brackets	\$0	\$50,000	\$0 +	15%	\$0			ave a carry-over		
S-T < 12 mos.		Ordinary rate	Ordinary rate	50,000		7,500 +		50,000	determined by	the decedent	t's basis in the p	roperty. The	
L-T > 12 mos.		0%	15%	75,000		13,750 + 1		75,000			\$1.3M in addition		
		-,-		100,000	335,000	22,250 + 3		100,000			M more to prope R, 2) Subject the		
Qualified Divid	dends:	0%	15%	335,000	10,000,000	113,900 + 1	34%	335,000			e estate would ha		
Kiddie Tax:		. <18 (<24 & curr	ent FT student)	10,000,000		3,400,000 +		10,000,000	applicable exc	lusion and th	e top rate would	be 35%. The	
Firs	2010 st \$950	<u>2011</u> \$950	No Tax	15,000,000		5,150,000 + 1		15,000,000			ave a stepped-up		
Nex			10% Tax	18,333,333		6,416,667 + 3	35%	18,333,333	determined by (or alternative		ket value on the	date of death	
				Profession	al Corporation:	Flat 35%			. `				
Amounts Over \$1,900 \$1,900 Parents' Rate				Long-Term Care Insurance				**Indexed for inflation after 2011					
Addt'l Age 65 Standard Deductions: Annual or Older, or				Max. Qualified LTC Premiums Eligible for Deduction:				Social Security					
	20	10 011 100	Blind										
Married Fil	ling 20	10 \$11,400	\$1,100	Age	40 or less 41-	<u>50</u> <u>51-60</u>	61-70	0 Over 70		od. AGI Causi	ng Soc. Sec. Bene	fits to be	
Jointly	20	11 \$11,600	\$1,150	2010	\$330 \$65	20 \$1,230	\$3,29	0 \$4,110	Taxable:		50% taxable	85% taxable	
~-	20	10 \$5,700	\$1,400	2011	\$340 \$6			0 \$4,240	Married Filing J	ointly	\$32,000	\$44,000	
Single	20	11 \$5,800	\$1,450		C contract per o				Single	-	\$25,000	\$34,000	
Limit on Ite	mized Dedi	ections:		Personal	Exemptions:			·	g- -				
	-	rough end of	2012	1 ersonal	ылетрион я:	Exer	nption		Max. Farnin	gs Before So	c. Sec. Benefits	are Reduced	
Child Tax C		гоида ени ој	2012			2010		2011	Assumes full reti		•		
		ut \$50 for each \$	\$1,000 of ACI	Married Fi	ling Jointly	\$3,650		\$3,700	Under age 65 (l	_			
		ing joint), or \$75		Single	oj	\$3,650		\$3,700	Age 65 and over	-	No limi		
	-	•		ied Plans	2	/***		, *			on Subject to F		
			Qualii	icu r iails	•	2010	-1	2011	waximum	Compensan	2010	2011	
Movimum -1	laativa daf-	mal to ratina	ant plane a a 4	01(12) 402(1	b)	2010 \$16,500		\$16,500	Social Secur	ity maximum	\$106,800	\$106,800	
			ent plans, e.g., 4					\$16,500 \$11,500		re maximum	No limit	No limit	
			E IRA and SIMI		•	\$11,500 \$16,500		\$11,500 \$16,500					
Maximum elective deferral to 457 plans of tax-exempt employers Limit on annual additions to SEP IRA plans					\$49,000		\$49,000			% self-employed, 4 -employed, 1.45%			
Annual compensation threshold requiring SEP IRA contribution									meancare nax	c. 2.7/0 SELJ.	стрюуец, 1. 4 5/0	трюуесь	
						\$550		\$550					
	Limit on annual additions to defined contribution plan Maximum annual compensation taken into account for					\$49,000		\$49,000					
	•			r contribution	ons	\$245,000		\$245,000					
Annual benefit limit under defined benefit plans						\$195,000		\$195,000					
	Threshold amount for definition of highly compensate					\$110,000		\$110,000					
	Threshold amount for definition of key employee in to					\$160,000		\$160,000					
Pension Benefit Guaranty Corp. monthly pension amt				(age 65, sir	igle life)	\$4,500		\$4,500					

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

2011 Tax Update

				Tax Update							
		Roth IRAs	1				RAs				
						Contribution Limits – Traditional and Roth					
AGI Phase-Out Range for Contributions to Roth IRAs:						2006-2007	2008-2010	2011			
Married Filing Jointly: \$169,000-\$179,000 Single: \$107,000-\$122,000						\$4,000 \$1,000	\$5,000 \$1,000	\$5,000 \$1,000			
D. 4. 11	0.4				Catch-Up *			\$1,000			
	RA conversion rules:		* Only taxpayers age 50 and over are eligible Uniform Lifetime Table								
2010* an	d later: Unlimited Mo	dified AGI and any tax	L								
* 2010		. 2011	For calculating Required Minimum Distributions (RMDs) from								
* 2010 or	nly, conversion can spread		Qualified Plans and Traditional IRAs								
	Traditional IRA Deductibility Rules										
Filing Status	Covered by Employer's Retirement Plan?		fied AGI	Deductibility	Current Age	Distrib. Period	Current Age	Distrib. Period			
Status		2010	2011		70	27.4	85	14.8			
	No	Any amount	Any amount	Full deduction	71	26.5	86	14.1			
Single		\$55,999 or less	\$55,999 or less	Full deduction	72	25.6	87	13.4			
8	Yes	\$56,000 - \$65,999	\$56,000 - \$65,999	Partial deduction	73	24.7	88	12.7			
		\$66,000 or more	\$66,000 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			
		\$88,999 or less	\$89,999 or less	Full deduction	76	22.0	91	10.8			
	Both Spouses Covered	\$89,000 - \$108,999	\$90,000 - \$109,999	Partial deduction	77	21.2	92	10.2			
		\$109,000 or more	\$110,000 or more	No deduction	78	20.3	93	9.6			
Married Filing Jointly		\$88,999 or less	\$89,999 or less	Full deduction	79	19.5	94	9.1			
	One Spouse Covered – For Covered Spouse	\$89,000 - \$108,999	\$90,000 - \$109,999	Partial deduction	80	18.7	95	8.6			
·		\$109,000 or more	\$110,000 or more	No deduction	81	17.9	96	8.1			
	One Spouse Covered – For Non-Covered Spouse	\$166,999 or less	\$168,999 or less	Full deduction	82	17.1	97	7.6			
		\$167,000 - \$176,999	\$169,000 - \$178,999	Partial deduction	83	16.3	98	7.1			
	Tion covered spouse	\$177,000 or more	\$179,000 or more	No deduction	84	15.5	99	6.7			
	Catch-Up Contrib	oution Limits for O	ther Qualified Plan T	Гуреѕ	Saver's Tax	Credit-Contrib	utions to Emplo	yer Plans & IRAs			
	<u>-</u>		2008 2009	<u>2010</u> <u>2011</u>	Maximum Credit \$1,000 per taxpayer - AGI limits below						
401(k), 40	3(b), SARSEP & 457 Plans	\$5,000	\$5,000 \$5,500	\$5,500 \$5,500	Married File Jointly Single Credit						
SIMPLE	IRA & SIMPLE 401(k) Plans	\$2,500	52,500 \$2,500	\$2,500 \$2,500 \$2,500		,000 \$0 -	- \$17,000 50	% of contribution			
		Education Incer	ntives		\$34,001 - \$36,500 \$17,001 - \$18,250 20% of contribution						
Cove	rdell Education Saving	gs Accounts (Educa	\$36,501 - \$56,500 \$18,251 - \$28,250 10% of contr			% of contribution					
Modified AGI Phase-Out Range for Contributions to Coverdell Education Savings Accounts:						500 Over	r \$28,250	Not Available			
Married F	Filing Jointly \$	190,000 - \$220,000	Single	\$95,000 - \$110,000	ī	Health Savings	Accounts – H	SAs			
	Oualified '	Fuition Programs –	Section 529 Plans			_					
Distribut	ions for qualified higher e	ē			An "eligible individual" is defined as (1) one covered by a high deductible health plan (HDHP), (an annual deductible of \$1,200 for single coverage and \$2,400 for family coverage where the maximum out of pocket cannot exceed \$5,950 for single coverage and \$11,900 for family coverage), (2) is not covered						
	1gg	Hope Learning C	v								
Hone Cree	lit _ Un to \$2 500 per student	1 0									
Hope Credit – Up to \$2,500 per student, for first four years of higher education tuition Modified AGI Phase-Outs: 2010				<u>2011</u>	by any other health insurance except for some permitted						
•	iling Jointly	\$160,000 - \$180,000	\$160,00	00 - \$180,000	coverages, (3) is not eligible for and enrolled in Medicare, and (4) cannot be claimed as a dependent on someone else's income tax return.						
Others		\$80,000 - \$90,000		000 – \$90,000							
		Lifetime Learning			Contribution	Limits:					
	Lifetime Learning Credit-Up	to 20% of tuition paid (mo	<u>2010</u> <u>2011</u>								
Modified A	AGI Phase-Outs:	2010		<u>2011</u>	Single Famile		63,000 65,950	\$3,050 \$6,150			
Married E	iling Jointly	\$100,000 - \$120,000	\$102.00	00 - \$122,000	1 411111	<i>y</i>	.5,750	ψ0,130			
Others	ning Johnuy	\$50,000 - \$120,000		000 - \$122,000				y ("ALIC"), Home Office Office, Lincoln, NE and			
	Exclus	sion of U.S. Savings			Allstate Life Insura	nce Company of New	York ("ALICNY"), H	ome Office, Hauppauge,			
Modified A	AGI Phase-Outs:	2010		2011	 NY. LBL is a wholly owned subsidiary of ALIC. Of these three companies, only ALICNY is licensed to do business in NY. This material is intended for general consumer educational purposes and is not intended to provide legal, tax or investment advice. ALIC, LBL and 						
	Filing Jointly	\$105,100 - \$135,100		60 - \$136,650	ALICNY issue fixed	and variable insurance p	roducts that are sold th	hrough agreements with			
Others	Student I can In	\$70,100 - \$85,100	\$71,1 Maximum Deduction \$2,	00 – \$86,100 500		ed broker-dealers or age derwriters of certain SEC		Allstate Distributors L.L.C or ALIC, LBL and			
Modified 4	AGI Phase-Outs:	2010.	малтит D eauction \$2,	2011.	ALICNY. Variable p	roducts are sold by regist oyees who are securities-	tered representatives, i	nvestment advisors, and			
	Filing Jointly	\$120,000 - \$150,000	\$120,00	00 - \$150,000				_			
Single		\$60,000 - \$75,000		000 – \$75,000							
Deductibil	lity Period	No time limit	t i	No time limit							

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