

2010 Federal Tax Rates

Insurance issued by Liberty Life Insurance Company

Married Filing Jointly or Qualifying Widow(er)

<i>If taxable income is over</i>	<i>But not over</i>	<i>The tax is:</i>	<i>Of the amount over</i>
\$0	\$16,750	10%	\$0
\$16,750	\$68,000	\$1,675.00 + 15%	\$16,750
\$68,000	\$137,300	\$9,362.50 + 25%	\$68,000
\$137,300	\$209,250	\$26,687.50 + 28%	\$137,300
\$209,250	\$373,650	\$46,833.50 + 33%	\$209,250
\$373,650	....	\$101,085.50 + 35%	\$373,650

Married Filing Separately

<i>If taxable income is over</i>	<i>But not over</i>	<i>The tax is:</i>	<i>Of the amount over</i>
\$0	\$8,375	10%	\$0
\$8,375	\$34,000	\$837.50 + 15%	\$8,375
\$34,000	\$68,650	\$4,681.25 + 25%	\$34,000
\$68,650	\$104,625	\$13,343.75 + 28%	\$68,650
\$104,625	\$186,825	\$23,416.75 + 33%	\$104,625
\$186,825	....	\$50,542.75 + 35%	\$186,825

Single

<i>If taxable income is over</i>	<i>But not over</i>	<i>The tax is:</i>	<i>Of the amount over</i>
\$0	\$8,375	10%	\$0
\$8,375	\$34,000	\$837.50 + 15%	\$8,375
\$34,000	\$82,400	\$4,681.25 + 25%	\$34,000
\$82,400	\$171,850	\$16,781.25 + 28%	\$82,400
\$171,850	\$373,650	\$41,827.25 + 33%	\$171,850
\$373,650	....	\$108,421.25 + 35%	\$373,650

Head of Household

<i>If taxable income is over</i>	<i>But not over</i>	<i>The tax is:</i>	<i>Of the amount over</i>
\$0	\$11,950	10%	\$0
\$11,950	\$45,550	\$1,195.00 + 15%	\$11,950
\$45,550	\$117,650	\$6,235.00 + 25%	\$45,550
\$117,650	\$190,550	\$24,260.00 + 28%	\$117,650
\$190,550	\$373,650	\$44,672.00 + 33%	\$190,550
\$373,650	....	\$105,095.00 + 35%	\$373,650

Estates & Trusts

<i>Taxable income over</i>	<i>But not over</i>	<i>Tax</i>	<i>Of the amount over</i>
\$0	\$2,300	15%	\$0
\$2,300	\$5,350	\$345.00 + 25%	\$2,300
\$5,350	\$8,200	\$1,107.50 + 28%	\$5,350
\$8,200	\$11,200	\$1,905.50 + 33%	\$8,200
\$11,200	....	\$2,895.50 + 35%	\$11,200

Section 179 Expense \$133,000 (phaseout begins \$533,000)

Personal Exemptions - \$3,650

Alternative Minimum Tax

For Individuals (Except Married - Separate)

<i>If taxable income is over</i>	<i>But not over</i>	<i>Tax</i>	<i>Of the amount over</i>
\$0	\$175,000	26%	\$0
\$175,000	....	28%	\$175,000

AMT Exemption

Married Filing Jointly or Qualifying Widow(er)	\$45,000
Married Filing Separately	\$22,500
Single or Head of Household	\$33,750
Estates & Trusts	\$22,500

FICA and Medicare Rates

FICA	
Employees:	6.2% OF FIRST \$106,800 OF EARNINGS
Self-Employed:	12.4% OF FIRST \$106,800 OF EARNINGS
Medicare	
Employees:	1.45% OF ALL EARNINGS
Self-Employed:	2.9% OF ALL EARNINGS

Standard Deduction

Married Filing Jointly or Qualifying Widow(er)	\$11,400
Married Filing Separately	\$5,700
Single	\$5,700
Head of Household	\$8,400
Additional for Age 65/Blind-Married	\$1,100
Additional for Age 65/Blind-Unmarried	\$1,400
Claimed as Dependent	\$950 or \$300 plus earned income, up to \$5,700 if greater

Estate and Gift Taxes

Estate Tax repealed for 2010
Annual Gift Tax Exemption: \$13,000

Corporations

<i>Taxable income over</i>	<i>But not over</i>	<i>Tax</i>	<i>Of the amount over</i>
\$0	\$50,000	15%	\$0
\$50,000	\$75,000	\$7,500 + 25%	\$50,000
\$75,000	\$100,000	\$13,750 + 34%	\$75,000
\$100,000	\$335,000	\$22,250 + 39%	\$100,000
\$335,000	\$10,000,000	\$113,900 + 34%	\$335,000
\$10,000,000	\$15,000,000	\$3,400,000 + 35%	\$10,000,000
\$15,000,000	\$18,333,333	\$5,150,000 + 38%	\$15,000,000
\$18,333,333	35%	\$18,333,333

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RBC Insurance®



2010 Federal Tax Rates (cont.)

IRA & EDUCATION SAVINGS CONTRIBUTION LIMITS & RETIREMENT PLAN SALARY DEFERRAL LIMITS

Year	Age	Plan Type				
		IRA	Roth	Simple IRA/401(k)	401(k) 403(b), 457 SAR-SEP	Coverdell ESA
2009	Under 50	\$5,000	\$5,000	\$11,500	\$16,500	\$2,000
	50 and up	\$6,000	\$6,000	\$14,000	\$22,000	\$2,000
2010	Under 50	\$5,000	\$5,000	\$11,500	\$16,500	\$2,000
	50 and up	\$6,000	\$6,000	\$14,000	\$22,000	\$2,000

2010 DEDUCTIBLE CONTRIBUTION PHASE-OUT RANGES

Traditional IRA Contribution Phase-Out Ranges

Individuals who are active participants are eligible to deduct their Traditional IRA contributions, only if their MAGI does not exceed certain limits. The phase-out ranges for 2010 are:

Single, active participant: \$56,000-\$66,000

Married, active participant filing a joint income tax return: \$89,000-\$109,000

Married, active participant filing a separate income tax return: \$0-\$10,000

Spouse of an active participant: \$167,000-\$177,000

Roth IRA Contribution Phase-Out Ranges

Individuals may contribute to a Roth IRA only if their MAGI does not exceed certain limits. The phase-out ranges for 2010 are:

Single individuals: \$105,000-\$120,000

Married, filing a joint income tax return: \$167,000-\$177,000

Married, filing a separate income tax return: \$0-\$10,000

RETIREMENT PLAN LIMITS

Maximum Annual Section 415 Benefit Limits				Annual Compensation Caps			
	2009	2010	IRC ref.		2009	2010	IRC ref.
Defined contribution	\$49,000	\$49,000	415(c)(1)	Qualified plans	\$245,000	\$245,000	401(a)(17)
Defined benefit	\$195,000	\$195,000	415(b)(1)	Government plans	\$355,000	\$355,000	401(a)(17)
Highly Compensated Qualifications				SEP Plan Limits			
	2009	2010	IRC ref.		2009	2010	IRC ref.
At any time 5% owner	No limit	No limit	414(q)(1)	Min. comp. for participation	\$550	\$550	408(k)(2)
Any employee	\$110,000	\$110,000	414(q)(1)	Compensation cap	\$245,000	\$245,000	408(k)(3)
				Annual 415 limit	\$49,000	\$49,000	415(c)(1)

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