

are your clients

READY FOR TAX SEASON?

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Pension Plan Limits 2005

IRA contribution (under age 50):	\$4,000
IRA contribution (age 50 and over):	\$4,500
Phaseout for deducting IRA contribution (qualified plan participant):	
Joint:	\$70,000-\$80,000 AGI
Single or HoH:	\$50,000-\$60,000 AGI
Phaseout for deducting spousal IRA:	
	\$150,000-\$160,000 AGI

Phaseout of Roth contribution eligibility:	
Joint:	\$150,000-\$160,000 MAGI
Single:	\$95,000-\$110,000 MAGI
Filing separate:	\$0-\$10,000 MAGI

No Roth conversions if MAGI exceeds \$100,000 or if married, filing separately. MAGI does not include MRDs.



Gift and Estate Tax 2005

Gift Tax Annual Exclusion:	\$11,000
Highest Estate and Gift Tax Rate:	47%
Gift Tax and Estate Tax Applicable	
Credit Amount:	\$1,500,000
But no more than \$1,000,000 during life	
Generation Skipping Transfer Tax Exclusion:	\$1,500,000
Annual Exclusion for Gifts to Non-Citizen Spouse:	
	\$117,000

Social Security 2005

Maximum earnings (during work years) subject to FICA tax:	\$90,000
Income* (in retirement) causing Social Security benefits to be taxable:	
Married, Filing Jointly	
50% taxable:	\$32,000 MAGI
85% taxable:	\$44,000 MAGI
Single	
50% taxable:	\$25,000 MAGI
85% taxable:	\$34,000 MAGI

*Income is most income including muni bond interest but only 1/2 of Social Security.

2005 Tax Rate	Single	Married (Filing Jointly)	Head of Household
10%	\$0 - \$7,300	\$0 - \$14,600	\$0 - \$10,450
15%	\$7,301 - \$29,700	\$14,601 - \$59,400	\$10,451 - \$39,800
25%	\$29,701 - \$71,950	\$59,401 - \$119,950	\$39,801 - \$102,800
28%	\$71,951 - \$150,150	\$119,951 - \$182,800	\$102,801 - \$166,450
33%	\$150,151 - \$326,450	\$182,801 - \$326,450	\$166,451 - \$326,450
35%	\$326,451 and over	\$326,451 and over	\$326,451 and over

Capital Gain Rates vary. See your tax advisor for more information.

Call AIP at (800) 783-5206 and Press 1 for Marketing and Sales Support!

*The information provided here has been taken from third party sources and is deemed to be reliable, but is not guaranteed. For informational purposes only, consult your tax/legal advisor for further details.