

IMPORTANT TIDBITS FOR THE OLD AND NEW YEARS 2008/2009

STANDARD MILEAGE RATES

Beginning January 1, 2009, the **standard mileage rates** for the use of a car (including vans, pickups or panel trucks) will be:

- 55 cents per mile for business miles driven; (50.5 cents Jan-June 08; 58.5 cents July-Dec 08)
- 24 cents per mile driven for medical/ moving purposes; (2008:19 cents Jan/June; 27 cents July/Dec)
- 14 cents per mile driven in service of charitable organizations (14 cents in 2008)

TRADITIONAL AND ROTH IRA CONTRIBUTION LIMITS—FUND BY APRIL 15!!

Tax year	Under age 50	Age 50 or older
2008	\$5,000	\$6,000
2009	\$5,000	\$6,000
2009-2010	\$5,000 indexed	\$5,000 indexed plus \$1,000

THERE ARE SOME IMPORTANT RESTRICTIONS – GIVE US A CALL BEFORE FUNDING

FROM SOCIAL SECURITY ADMINISTRATION:

Retirement Earnings Test Exempt Amounts:	2009	2008
Under full retirement age NOTE: One dollar in benefits will be withheld for every \$2 in earnings above the limit.	\$14,160/yr. (\$1,180/mo.)	\$13,560 (\$1,130/mo.)
Year individual reaches <u>full retirement age</u> NOTE: Applies only to earnings for months prior to attaining full retirement age. One dollar in benefits will be withheld for every \$3 in earnings above the limit.	\$37,680/yr. (\$3,140/mo.)	\$36,120/yr. (\$3,010/mo.)
There is no limit on earnings <i>beginning the month</i> an individual attains full retirement age. See http://www.socialsecurity.gov/retire2/agereduction.htm Remember – it is NOT 65 for everyone!!		

Maximum Earnings Taxable:	2008	2009
Social Security (OASDI only)	\$102,000	\$106,800

NEWS ON THE ESTATE FRONT:

Estate Planning	2008	2009
Estate Tax Exclusion	\$2 million	\$3.5 million
Gift Tax Exclusion	\$1 million	\$1 million
Annual Gifting – to anyone	\$12,000	\$13,000

Does anyone have \$3.5 M left in their estates? Watch for changes as we approach 2010—the year that the *estate tax* is supposedly **REPEALED** – which is not necessarily good news for heirs!!! **Stay tuned.**

QUALIFIED PLAN LIMITS

	2009	2008
Elective Deferrals	\$16,500	\$15,500
Catch-Up Contributions	\$5,500	\$5,000
Defined Benefit Plan Annual Benefit Limit	\$195,000	\$185,000
Defined Contribution 415 limit (eg 401k, SEP)	\$49,000	\$45,000