

Selected Facts and Figures – Starting with the November 2009 Exam

Keir Educational Resources compiled the following selected facts and figures for the CFP® Certification Examination to assist you with your preparation for this comprehensive exam.

Please note the following disclaimers:

1. This list is not intended to be an all-inclusive listing of facts and figures tested on the CFP® Certification Examination.
2. Very few of the figures included in this list will be provided in your actual CFP® Certification Examination booklet. **Only the items underlined will be provided.** For example, all of the underlined Personal Exemption, Standard Deductions and Itemized Deductions information listed on the next page are provided. However, the exam booklet does not include information about the self employment taxes or kiddie taxes. As a result, you will need to know how to calculate both taxes. Likewise, you will need to memorize all the other items that are not underlined.
3. If you need assistance preparing for the exam or if you have a question about our materials, please contact Customer Service at 800-795-5347, or send us an e-mail message at fpquestions@keirsuccess.com. We will have an instructor return your call or e-mail, typically within one business day.



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Personal Exemption **2009**

Personal exemption amount per person 3,650

Phaseout is 0.67% for every \$2,500 or fraction thereof that AGI exceeds the following amounts up to 1/3rd of the personal exemption amount:

<u>Single</u>	<u>166,800</u>
<u>Married filing jointly or surviving spouse</u>	<u>250,200</u>
<u>Married filing separately</u>	<u>125,100</u>
<u>Head of household</u>	<u>208,500</u>

Maximum reduced personal exemption amount per person 2,433

The personal exemption is not reduced below \$2,433 per person once the taxpayer's AGI exceeds the following amounts:

Single	289,300
Married filing jointly or surviving spouse	372,700
Married filing separately	186,350
Head of household	331,000

Standard Deductions **2009**

<u>Single</u>	<u>5,700</u>
<u>Married filing jointly or surviving spouse</u>	<u>11,400</u>
<u>Married filing separately</u>	<u>5,700</u>
<u>Head of household</u>	<u>8,350</u>

Additional standard deduction amount if age 65 or older or blind

<u>Married (per person)</u>	<u>1,100</u>
<u>Unmarried</u>	<u>1,400</u>

Taxpayer is claimed as a dependent

<u>No earned income</u>	<u>950</u>
<u>Earned income (earned income plus amount)</u>	<u>300</u>
Maximum deduction using earned income	5,700

Itemized Deductions **2009**

Phaseout is 1% that AGI exceeds the following amounts (not to exceed 80% of deductions):

<u>Single</u>	<u>166,800</u>
<u>Married filing jointly or surviving spouse</u>	<u>166,800</u>
<u>Married filing separately</u>	<u>83,400</u>
<u>Head of household</u>	<u>166,800</u>

Employment Taxes **2009**

Social Security tax rate

Employer's portion	6.2%
Employee's portion	6.2%
Total for self-employed individual	12.4%

Maximum amount of earnings subject to Social Security taxes 106,800

Medicare tax rate

Employer's portion	1.45%
Employee's portion	1.45%
Total for self-employed individual	2.9%

Maximum amount of earnings subject to Medicare taxes Unlimited

Total employment taxes

Employer's portion	7.65%
Employee's portion	7.65%
Total for self-employed individual	15.3%

Percentage of self-employed earnings subject to SE taxes 92.35%

Percentage of SE taxes deducted above-the-line 50%

Kiddie Tax **2009**

Amount not subject to tax due to personal exemption	950
Amount taxed at child's rate of 10%	950
Unearned income above these amounts taxed at parents' marginal tax rate	Unlimited

Child Tax Credit **2009**

Child tax credit per child 1,000

Phaseout of \$50 for every \$1,000 or fraction thereof that AGI exceeds the following amounts (completely phased out if AGI exceeds threshold by \$20,000 per child):

<u>Single</u>	<u>75,000</u>
<u>Married filing jointly or surviving spouse</u>	<u>110,000</u>
<u>Married filing separately</u>	<u>55,000</u>
<u>Head of household</u>	<u>75,000</u>

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Child or Dependent Care Credit

2009

Maximum amount of qualifying expenses

One child or dependent	3,000
Two or more children or dependents	6,000

AGI amount when credit reduced to 20% level	43,000
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Maximum credit, assuming taxpayer's AGI at 20% level

One child or dependent	600
Two or more children or dependents	1,200

American Opportunity Tax Credit (formerly called Hope Credit)

2009

Credit percentage amounts

<u>First \$2,000</u>	<u>100%</u>
<u>Second \$2,000</u>	<u>25%</u>

Maximum credit	\$2,500
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Phaseout starts at the following AGI amounts:

<u>Single</u>	<u>80,000</u>
<u>Married filing jointly or surviving spouse</u>	<u>160,000</u>
Married filing separately	0
<u>Head of household</u>	<u>80,000</u>

Credit completely phased out at the following AGI amounts:

<u>Single</u>	<u>90,000</u>
<u>Married filing jointly or surviving spouse</u>	<u>180,000</u>
Married filing separately	0
<u>Head of household</u>	<u>90,000</u>

Lifetime Learning Credit

2009

Credit percentage amounts

<u>First \$10,000</u>	<u>20%</u>
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Maximum credit	\$2,000
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Phaseout starts at the following AGI amounts:

<u>Single</u>	<u>50,000</u>
<u>Married filing jointly or surviving spouse</u>	<u>100,000</u>
<u>Married filing separately</u>	<u>0</u>
<u>Head of household</u>	<u>50,000</u>

Credit completely phased out at the following AGI amounts:

<u>Single</u>	60,000
<u>Married filing jointly or surviving spouse</u>	120,000
<u>Married filing separately</u>	0
<u>Head of household</u>	60,000

Education Expenses

2009

Above-the-line deduction for educational loan interest payments 2,500

Phaseout of educational loan interest deduction starts at the following AGI amounts:

Single	60,000
Married filing jointly or surviving spouse	120,000
Married filing separately	0
Head of household	60,000

Educational loan interest deduction completely phased out at the following AGI amounts:

Single	75,000
Married filing jointly or surviving spouse	150,000
Married filing separately	0
Head of household	75,000

Above-the-line deduction for tuition and related expenses 4,000

AGI limitations to claim up to the full \$4,000 above-the-line deduction

Single	65,000
Married filing jointly or surviving spouse	130,000
Married filing separately	65,000
Head of household	65,000

AGI limitation to claim up to \$2,000 above-the-line deduction if AGI exceeds the limits above for the \$4,000 deduction

Single	80,000
Married filing jointly or surviving spouse	160,000
Married filing separately	80,000
Head of household	80,000

Tax-free treatment on Series EE bonds

Phaseout of tax-free treatment on Series EE bonds starts at the following AGI amounts:

Single	69,950
Married filing jointly or surviving spouse	104,900
Married filing separately	69,950
Head of household	69,950

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Tax-free treatment on Series EE bonds completely phased out at the following AGI amounts:

Single	84,950
Married filing jointly or surviving spouse	134,900
Married filing separately	84,950
Head of household	84,950

Coverdell Education Savings Accounts **2009**

Coverdell Education Savings Account (ESA) contribution limit	2,000
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Phaseout of ESA contribution starts at the following AGI amounts:

<u>Single</u>	<u>95,000</u>
<u>Married filing jointly or surviving spouse</u>	<u>190,000</u>
<u>Married filing separately</u>	<u>95,000</u>
<u>Head of household</u>	<u>95,000</u>

ESA contribution completely phased out at the following AGI amounts:

<u>Single</u>	<u>110,000</u>
<u>Married filing jointly or surviving spouse</u>	<u>220,000</u>
<u>Married filing separately</u>	<u>110,000</u>
<u>Head of household</u>	<u>110,000</u>

Section 179 Deduction **2009**

Section 179 deduction amount	250,000
Limit on property placed in service	800,000

Income Tax Rates **2009**

Marginal tax rate ends at the following income levels:

<u>Single</u>	
<u>10%</u>	<u>8,350</u>
<u>15%</u>	<u>33,950</u>
<u>25%</u>	<u>82,250</u>
<u>28%</u>	<u>171,550</u>
<u>33%</u>	<u>372,950</u>
<u>35%</u>	<u>Unlimited</u>

Married filing jointly or surviving spouse

<u>10%</u>	<u>16,700</u>
<u>15%</u>	<u>67,900</u>
<u>25%</u>	<u>137,050</u>
<u>28%</u>	<u>208,850</u>
<u>33%</u>	<u>372,950</u>
<u>35%</u>	<u>Unlimited</u>

Married filing separately

<u>10%</u>	<u>8,350</u>
<u>15%</u>	<u>33,950</u>
<u>25%</u>	<u>68,525</u>
<u>28%</u>	<u>104,425</u>
<u>33%</u>	<u>186,475</u>
<u>35%</u>	<u>Unlimited</u>

Head of household

<u>10%</u>	<u>11,950</u>
<u>15%</u>	<u>45,500</u>
<u>25%</u>	<u>117,450</u>
<u>28%</u>	<u>190,200</u>
<u>33%</u>	<u>372,950</u>
<u>35%</u>	<u>Unlimited</u>

Trusts

<u>15%</u>	<u>2,300</u>
<u>25%</u>	<u>5,350</u>
<u>28%</u>	<u>8,200</u>
<u>33%</u>	<u>11,150</u>
<u>35%</u>	<u>Unlimited</u>

Tax rates for capital gains and dividends

Taxpayers above the 15% tax bracket	15%
Taxpayers in the 10% or 15% tax bracket	0%

Alternative Minimum Taxes (AMT)

2009

AMT exemption amounts

Single	46,700
Married filing jointly or surviving spouse	70,950
Married filing separately	35,475
Head of household	46,700

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Phaseout of AMT exemption of 25% of AMTI that exceeds the following amounts:

Single	112,500
Married filing jointly or surviving spouse	150,000
Married filing separately	75,000
Head of household	112,500

AMT tax rates

On the first \$175,000 of AMT taxable income	26%
On income above \$175,000	28%
On capital gains and dividends	15%

Estate and Gift Taxes **2009**

Annual gift tax exclusions

Gifts to any person	13,000
Gifts to a U.S. citizen spouse	unlimited
Gifts to a noncitizen spouse	133,000

Lifetime gifts

Applicable exclusion amount	1,000,000
<u>Applicable credit amount</u>	<u>345,800</u>

Bequests at death

Applicable exclusion amount	3,500,000
<u>Applicable credit amount</u>	<u>1,455,800</u>

<u>Top estate and gift tax rate</u>	<u>45%</u>
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Generation-skipping transfer (GST) tax

Annual GST exclusion	13,000
Lifetime GST exemption amount	3,500,000
Flat GST tax rate	45%

Special-use valuation limit	1,000,000
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Retirement Plans **2009**

Taxpayer or employee contribution limits

IRA (combined traditional and Roth IRA limit)	5,000
401(k) plans	16,500
403(b) plans	16,500
457 plans	16,500
SIMPLE plans	11,500

<i>Catch-up contribution limits</i>	
IRA (combined traditional and Roth IRA limit)	1,000
401(k) plans	5,500
403(b) plans	5,500
457 plans	5,500
SIMPLE plans	2,500

<i>Defined-contribution plan limitations</i>	
Participating payroll	25%
Maximum percentage of employee's compensation	100%
Participant's contribution not to exceed	49,000
Maximum compensation to be considered	245,000

<i>Defined-benefit plan limitations</i>	
Maximum annual benefit	195,000
Maximum compensation to be considered	245,000

<i>SEP plan limitations</i>	
Maximum percentage of employee's compensation	25%
Participant's contribution not to exceed	49,000
Minimum compensation needed to participate	550
Maximum compensation to be considered	245,000

Qualified plan definitions

<i>Highly-compensated employee</i>	
Any employee who owns 5% or more of the company	
Any employee among the top 20% highest-paid and paid more than	110,000

<i>Key employee</i>	
Any officer earning	160,000
Any employee who owns 5% or more of the company	
Any employee who owns 1% or more of the company and makes	150,000

<i>Phaseout of IRA deduction starts at the following amounts:</i>	
Single	55,000
Married filing jointly or surviving spouse	89,000
Married filing separately	0
Head of household	55,000

<i>IRA deduction completely phased out at the following amounts:</i>	
Single	65,000
Married filing jointly or surviving spouse	109,000
Married filing separately	10,000
Head of household	65,000

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Phaseout of IRA deduction with an active participant spouse

AGI limit when phaseout starts	166,000
AGI limit when completely phased out	176,000

Phaseout of Roth IRA contributions starts at the following amounts:

Single	105,000
Married filing jointly or surviving spouse	166,000
Married filing separately	0
Head of household	105,000

Roth IRA contribution completely phased out at the following amounts:

Single	120,000
Married filing jointly or surviving spouse	176,000
Married filing separately	10,000
Head of household	120,000

AGI limitations to convert a traditional IRA to a Roth IRA

Single	100,000
Married filing jointly or surviving spouse	100,000
Married filing separately	N/A
Head of household	100,000

Social Security Benefits

2009

Limit on earnings before the reduction of benefits of \$1 for every \$2 earnings above limitation

Under full retirement age	14,160
Over full retirement age	N/A

Amount needed to earn one Social Security credit	1,090
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Medicare

2009

Part A deductibles for hospital stays

Days 1-60 (total deductible for all 60 days)	1,068
Days 61-90 (deductible per day)	267
Days 91-150 (deductible per day)	534

Part A deductibles for skilled nursing facility

Days 1-20	0
Days 21-100 (deductible per day)	133.50

<i>Part B monthly premium (monthly premiums will be higher if AGI exceeds \$85,000 for single taxpayers or \$170,000 MFJ taxpayers)</i>	96.40
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<i>Part B annual deductible</i>	135
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