



Dollars & Sense Quick Facts

Information is subject to change because of legislation. Please check with a financial adviser, such as a certified public accountant, to ensure that the information provided here is current.

Federal Gift Tax Allowance in 2008

\$12,000 annually

Annual 529 Plan Contribution Limits

Maximum contribution limits vary according to a state's 529 Plan. In California, you can contribute up to \$60,000 (\$120,000 per married couple) per beneficiary in a single year without incurring a federal gift tax. No single beneficiary may have more than \$320,000 in combined accounts, however.

Coverdell Education Savings Account (ESA)

A beneficiary may have up to \$2,000 a year in combined ESAs. In other words, one person may have several ESAs but the combined amounts of those accounts cannot exceed \$2,000. Contributions are NOT deductible. The designated beneficiary must be under the age of 18 years of age at the time an account is established.

Child Dependent Care Credit

If you paid someone to care for a child under age 13 or a qualifying spouse or dependent so you could work or look for work, you may be able to reduce your tax by claiming the Child and Dependent Care Credit on your federal income tax return. To qualify, your spouse, children age 13 or older, and other dependents must be physically or mentally incapable of self-care.

The credit is a percentage of the amount of work-related child and dependent care expenses you paid to a care provider. The credit can be up to 35 percent of your qualifying expenses, depending upon your income.

Capital Gains Losses

If your capital losses exceed your capital gains, the amount of the excess loss that can be claimed is limited to \$3,000, or \$1,500 if you are married filing separately. If your net capital loss is more than this limit, you can carry the loss forward to later years.

IRA Contribution Limits

YEAR	AGE 49 & BELOW	AGE 50 & ABOVE
2008	\$5,000	\$6,000
2009 and Beyond	Indexed to inflation	Indexed to inflation

Simple IRA Limits

YEAR	AGE 49 & BELOW	AGE 50 & ABOVE
2008	\$10,500	\$13,000
2009 and Beyond	Indexed to inflation	Indexed to inflation

403(b) Contribution Limits

YEAR	AGE 49 & BELOW	AGE 50 & ABOVE
2008	\$15,500	\$20,500
2009 and Beyond	Indexed to inflation	Indexed to inflation

Roth IRA Phase-Out Range & Limits

You can contribute to a Roth IRA if your income falls below the Roth limits. You're allowed a prorated contribution if your income falls within the "phase-out" range. If your income exceeds the income range, you won't qualify for a Roth IRA contribution.

YEAR	SINGLE	MARRIED FILING JOINTLY
2008	\$101,000 – \$116,000	\$159,000 – \$169,000
2009	Indexed to inflation	Indexed to inflation
2010	Limit removal	Limit removal

SEP IRA Limits

The maximum amount an employer can contribute to a simplified employee pension (SEP) plan is 25 percent of an employee's compensation, which is capped at a maximum per below.

YEAR	MAX DOLLAR ALLOCATION	MAX CONSIDERED COMPENSATION
2008	\$46,000	\$230,000
2009	\$48,000	\$235,000
2010	\$50,000	\$240,000

Section 457 Limits

YEAR	AGE 49 & BELOW	AGE 50 & ABOVE
2008	\$15,500	\$20,500
2009 and Beyond	Indexed to inflation	Indexed to inflation

401 Contribution Limits

YEAR	AGE 49 & BELOW	AGE 50 & ABOVE
2008	\$15,500	\$20,500
2009 and Beyond	Indexed to inflation	Indexed to inflation

Defined Contribution Plans, Basic Limits

The maximum amount that can be contributed to a defined contribution plan is 25% of an employee's compensation, which is capped at a maximum per below.

YEAR	AGE 49 & BELOW	AGE 50 & ABOVE
2008	\$46,000	\$230,000
2009	\$48,000	\$235,000
2010	\$50,000	\$240,000

Stafford Loan Limitations

DEPENDENT	ANNUAL LOAN LIMIT
Freshman	\$5,500 (\$3,500 between subsidized and unsubsidized, plus an additional \$2,000 unsubsidized)
Sophomore	\$6,500 (\$4,500 between subsidized and unsubsidized, plus an additional \$2,000 unsubsidized)
Junior or Senior	\$7,500 (\$5,500 between subsidized and unsubsidized, plus an additional \$2,000 unsubsidized)

INDEPENDENT	ANNUAL LOAN LIMIT
Freshman	\$9,500 (\$3,500 between subsidized and unsubsidized, plus an additional \$6,000 unsubsidized)
Sophomore	\$10,500 (\$4,500 between subsidized and unsubsidized, plus an additional \$6,000 unsubsidized)
Junior or Senior	\$12,500 (\$5,500 between subsidized and unsubsidized, plus an additional \$7,000 unsubsidized)
Graduate or Professional	\$20,500 (\$8,500 between subsidized and unsubsidized, plus an additional \$12,000 unsubsidized)

LIFETIME LIMITS	ANNUAL LOAN LIMIT
Undergraduate dependent lifetime limit	\$31,000 (up to \$23,000 may be subsidized)
Undergraduate independent lifetime limit	\$57,500 (between subsidized and unsubsidized)
Graduate or Professional lifetime limit	\$138,500 (up to \$65,000 may be subsidized) or \$224,000 (for health care professionals)

