

*John Hancock*

LIFE INSURANCE

*Advanced Markets*  
**2011 Fingertip Tax Guide**



# 2011 Fingertip Tax Guide

## INCOME TAXES 2011–2012

If Taxable Income Is:<sup>1</sup>

Over	But Not Over	The Tax Is	Of the Amount Over
<b>Married Filing Jointly:</b>			
\$0	\$17,000	\$0 + 10%	\$0
\$17,000	\$69,000	\$1,700 + 15%	\$17,000
\$69,000	\$139,350	\$9,500 + 25%	\$69,000
\$139,350	\$212,300	\$27,087.50 + 28%	\$139,350
\$212,300	\$379,150	\$47,513.50 + 33%	\$212,300
\$379,150		\$102,574 + 35%	\$379,150
<b>Single:</b>			
\$0	\$8,500	\$0 + 10%	\$0
\$8,500	\$34,500	\$850 + 15%	\$8,500
\$34,500	\$83,600	\$4,750 + 25%	\$34,500
\$83,600	\$174,400	\$17,025 + 28%	\$83,600
\$174,400	\$379,150	\$42,449 + 33%	\$174,400
\$379,150		\$110,016.50 + 35%	\$379,150
<b>Estates and Trusts:</b>			
\$0	\$2,300	\$0 + 15%	\$0
\$2,300	\$5,450	\$345 + 25%	\$2,300
\$5,450	\$8,300	\$1,132.50 + 28%	\$5,450
\$8,300	\$11,350	\$1,930.50 + 33%	\$8,300
\$11,350		\$2,937 + 35%	\$11,350

## ALTERNATIVE MINIMUM TAX EXEMPTION AMOUNTS

	2010	2011
Married Filing Jointly	\$72,450	\$74,450
Single	\$47,450	\$48,450
Married Filing Separately	\$37,225	\$37,225

## KIDDIE TAX (UNDER AGE 19 WITH UNEARNED INCOME)<sup>2</sup>

	2010	2011	INCOME TAX BRACKET
First	\$950	\$950	No Tax
Next	\$950	\$950	Child's Bracket
Amounts Over	\$1,900	\$1,900	Parents' Bracket

## STANDARD DEDUCTIONS

	2010	2011
Married Filing Jointly	\$11,400	\$11,600
Single	\$5,700	\$5,800
Married Filing Separately	\$5,700	\$5,800

- The rates listed are for the regular income tax. Some taxpayers may be subject to the Alternative Minimum Tax (AMT) instead; every taxpayer is responsible for paying the higher of the regular income tax or the AMT.
- The Small Business and Work Opportunity Act of 2008 changed the "kiddie tax" age to include children ages 18 and under. In addition, under the new rules, the kiddie tax applies to children ages 19–24: 1) who are full-time students, 2) whose earned income does not exceed one-half of their support, and 3) who do not file a joint tax return.

ITEMIZED DEDUCTION PHASEOUT	2011–2012
All Filings Other Than Married Filing Separately	Itemized Deduction Phaseout Repealed in 2010
Married Filing Separately	Itemized Deduction Phaseout Repealed in 2010

PERSONAL EXEMPTION	2011–2012
<b>Personal Exemption Phase-Out Income Range:</b>	\$3,700
Single	Personal Exemption Phaseout Repealed in 2010
Married Filing Jointly	Personal Exemption Phaseout Repealed in 2010
Married Filing Separately	Personal Exemption Phaseout Repealed in 2010

QUALIFIED PLANS	2011
Maximum elective deferral to retirement plans (e.g., 401(k), 403(b) & 457(b) plans) <sup>3</sup>	\$16,500
401(k) age 50+ catch-up contribution limit	\$5,500
Maximum IRA contribution limit	\$5,000
IRA age 50+ catch-up contribution limit	\$1,000
Maximum elective deferral to SIMPLE plan	\$11,500
SIMPLE plan age 50+ catch-up contribution limit	\$2,500
Annual includable compensation limit	\$245,000
Defined contribution plan annual addition limit	\$49,000
Highly compensated employee compensation limit	\$110,000
Annual retirement benefit limit under defined benefit plans (not to exceed 100% of compensation)	\$195,000

ROTH IRA INCOME LIMITS FOR CONTRIBUTIONS IN 2011 <sup>4</sup>	
Married Filing Jointly	\$169,000
Single or Married Filing Separately <sup>5</sup>	\$107,000

CAPITAL GAINS TAX	2011
Capital gains on collectibles	28%
Rates on gains for assets (other than collectibles and small business stock)	
held more than 12 months	
15% income tax bracket or below	0%
25% income tax bracket or above	15%

3. The contribution limit is the same for regular and Roth 401(k) plans; a total of \$16,500 can be contributed in 2011 to one or both types of 401(k) plans.

4. In 2011, there is no income limit for conversion from a traditional IRA to a Roth IRA. However, the income limit does apply to annual contributions made to a Roth IRA in 2011.

5. The income eligibility for taxpayers who are married filing separately only applies if the individual taxpayer contributing to the IRA did not live with his/her spouse at any time during the year. If they did live together at any time during the year, then the taxpayer's adjusted gross income (AGI) must be \$10,000 or less to contribute to a Roth IRA. See IRS Publication 590.

**CORPORATIONS (FOR ALL TAX YEARS SINCE 1993)**

If Taxable Income Is:

Over	But Not Over	The Tax Is	Of the Amount Over
\$0	\$50,000	\$0 + 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	And Over	\$6,416,667 + 35%	\$18,333,333

**ESTATE & GIFT TAXES 2011**

Subtract applicable estate tax exemption (below) to calculate estate tax.

Estate and Generation-Skipping Transfer Tax Exemption 2011: \$5,000,000 (indexed for inflation in 2012, in \$10,000 increments)

If Taxable Estate Is:

Over	But Not Over	The Tax Is	Of the Amount Over
\$0	\$10,000	\$0 + 18%	\$0
\$10,000	\$20,000	\$1,800 + 20%	\$10,000
\$20,000	\$40,000	\$3,800 + 22%	\$20,000
\$40,000	\$60,000	\$8,200 + 24%	\$40,000
\$60,000	\$80,000	\$13,000 + 26%	\$60,000
\$80,000	\$100,000	\$18,200 + 28%	\$80,000
\$100,000	\$150,000	\$23,800 + 30%	\$100,000
\$150,000	\$250,000	\$38,800 + 32%	\$150,000
\$250,000	\$500,000	\$70,800 + 34%	\$250,000
\$500,000	And Over	\$155,800 + 35%	\$500,000

**Gift Tax Exemptions for 2011**

**Annual Gift Tax Exclusion:**

Individual donor may gift \$13,000 per donee

**Gift Tax Exemption:** \$5,000,000 per person

**Annual Gift Tax Exclusion for a Noncitizen Spouse:** \$136,000

**Gift Tax Rate:** 35%

For updates on the estate tax legislation, look for upcoming editions of Central Intelligence from John Hancock Advanced Markets at [www.jhsalesnet.com](http://www.jhsalesnet.com) → click on “Advanced Markets Group” → “Central Intelligence.”

**SCHEDULED ESTATE TAX RATES AND EXEMPTIONS**

Year	Top Estate Tax Rate	Estate Tax Exemption	Applicable Credit
2002	50%	\$1 million	\$345,800
2003	49%	\$1 million	\$345,800
2004	48%	\$1.5 million	\$555,800
2005	47%	\$1.5 million	\$555,800
2006	46%	\$2 million	\$780,800
2007	45%	\$2 million	\$780,800
2008	45%	\$2 million	\$780,800
2009	45%	\$3.5 million	\$1,455,800
2010	Repealed	N/A	N/A
2011	35%	\$5 million	\$1,730,800

**SOCIAL SECURITY BENEFITS****2010****2011****Maximum Annual Earnings Before  
Social Security Benefits Are Reduced**

Before Full Retirement Age (lose \$1 for every \$2 of earnings)	\$14,160	\$14,160
Year of Full Retirement Age (lose \$1 for every \$3 of earnings)	\$37,680	\$37,680
After Full Retirement	No limit	No limit

**FICA INCOME LIMITS****2010****2011****Maximum Compensation Subject to FICA Taxes**

OASDI (Old-Age, Survivors and Disability Insurance; Soc. Sec maximum)	\$106,800	\$106,800
HI (Hospital Insurance; Medicare maximum)	No limit	No limit

**PERIODIC PAYMENTS****2010****2011****Periodic Payments Received Under Qualified Long-Term Care  
Insurance Contracts or Under Certain Life Insurance Contracts**

Per Diem Limit	\$280	\$290
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IM1411 MLINY01121114153 02/11

