



YOUNG CONAWAY STARGATT & TAYLOR, LLP

Tax, Trust & Estates, and Benefits Section

Benefits Update 2007

Contributions and Benefits

	2007	2006
\$401(k), §403(b) and §457(b) elective deferral limit	\$15,500	\$15,000
Catch-up deferrals (§401(k), §403(b), §457(b) plans)	\$5,000	\$5,000
SIMPLE elective deferral limit	\$10,500	\$10,000
Definition of highly-compensated employee (HCE)	\$100,000	\$100,000
Annual Compensation limit for benefit purposes	\$225,000	\$220,000
Annual Compensation limit for key employee determination	\$145,000	\$140,000
SEP Minimum Compensation	\$500	\$450
Maximum Contribution to HSA		
Single coverage	\$2,850	\$2,700
Family coverage	\$5,650	\$5,450

Code §415 Maximums

Defined benefit plan limit at age 62:	Annual amount	\$180,000	\$175,000
Defined contribution plan limit:	Annual amount	\$45,000	\$44,000
	Percent of pay	100%	100%

Qualified Transportation Benefit

Parking (per month)	\$215	\$205
Transit Pass (per month)	\$110	\$105
Mileage Rate	48.5¢ per mile	44.5¢ per mile

Pension Benefit Guaranty Corporation

Maximum guaranteed annual benefit (single employer plans)	\$49,500.00	\$47,659.08
Fixed Rate Premium Per Participant	\$31	\$19
Variable Rate Premium (% of unfunded liability)	.9%	.9%

FOR MORE INFORMATION, CONTACT ONE OF OUR ATTORNEYS OR VISIT OUR WEBSITE: WWW.YOUNGCONAWAY.COM

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Social Security

OASDI tax rate	6.20%
Medicare tax rate	1.45%
OASDI taxable wage base	\$97,500
Medicare taxable wage base	unlimited
Cost of living adjustment for benefits	3.3%

Taxable Income Brackets

Rate	Single	Head of Household	Married Filing Jointly	Married Filing Separately
10%	\$0 to \$7,825	\$0 to \$11,200	\$0 to \$15,650	\$0 to \$7,825
15%	\$7,826 to \$31,850	\$11,201 to \$42,650	\$15,651 to \$63,700	\$7,826 to \$31,850
25%	\$31,851 to \$77,100	\$42,651 to \$110,100	\$63,701 to \$128,500	\$31,851 to \$64,250
28%	\$77,101 to \$160,850	\$110,101 to \$178,350	\$128,501 to \$195,850	\$64,251 to \$97,925
33%	\$160,851 to \$349,700	\$178,351 to \$349,700	\$195,851 to \$349,700	\$97,926 to \$174,850
35%	Over \$349,700	Over \$349,700	Over \$349,700	Over \$174,850

Capital Gains/Qualified Dividends

Maximum Capital Gain Rate

Collectibles	28%
Qualified Small Business Stock	28%
Unrecaptured §1250 Gain	25%
Other Gain and dividends regularly taxed at 25% or higher	15%
Other gain and dividends regularly taxed at less than 25%	5%

Standard Deduction Amounts

Single	\$5,350
Married Filing Jointly	\$10,700
Dependent Individual	Greater of \$850 or \$300 plus earned income
Aged and Blind	
<i>Single (not surviving spouse)</i>	\$1,300
<i>Married</i>	\$1,050
Head of Household	\$7,850

Estate and Gift Taxes

Estate Tax Exemption	\$2,000,000
Lifetime Gift Tax Exemption	\$1,000,000

Miscellaneous Tax Related Items

Dependency Deduction	\$3,400
Threshold for Phase Out for Dependency Deductions (married filing jointly)	\$234,600
Threshold for Phase Out for Itemized Deductions (married filing jointly)	\$156,400