



YOUNG CONAWAY STARGATT & TAYLOR, LLP

Tax, Trust & Estates, and Benefits Section

Benefits Update 2008

Contributions and Benefits

	2008	2007
\$401(k), §403(b) and §457(b) elective deferral limit	\$15,500	\$15,500
IRA Contribution	\$5,000	\$4,000
Catch-up deferrals (§401(k), §403(b), §457(b) plans)	\$5,000	\$5,000
IRA Catch-up Contribution	\$1,000	\$1,000
SIMPLE elective deferral limit	\$10,500	\$10,500
Definition of highly-compensated employee (HCE)	\$105,000	\$100,000
Annual Compensation limit for benefit purposes	\$230,000	\$225,000
Annual Compensation limit for key employee determination	\$150,000	\$145,000
SEP Minimum Compensation	\$500	\$500
Maximum Contribution to HSA*		
Single coverage	\$2,900	\$2,850
Family coverage	\$5,800	\$5,650

Code §415 Maximums

Defined benefit plan limit at age 62:	Annual amount	\$185,000	\$180,000
Defined contribution plan limit:	Annual amount	\$46,000	\$45,000
	Percent of pay	100%	100%

Pension Benefit Guaranty Corporation

Maximum guaranteed annual benefit (single employer plans)	\$51,750.00	\$49,500.00
Fixed Rate Premium Per Participant	\$33	\$31
Variable Rate Premium (% of unfunded liability)	.9%	.9%

*HSAs are used in conjunction with "high deductible health plans." For 2008, for individual coverage, the deductible must range from \$1,950 to \$2,900 with an out-of-pocket maximum of \$3,850. For family coverage, the deductible range is \$3,850 to \$5,800 with an out-of-pocket maximum of \$7,050.

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	\$102,000
Medicare taxable wage base	unlimited
Cost of living adjustment for benefits	2.3%

Taxable Income Brackets

Rate	Single	Head of Household	Married Filing Jointly	Married Filing Separately
10%	\$0 to \$8,025	\$0 to \$11,450	\$0 to \$16,050	\$0 to \$8,025
15%	\$8,026 to \$32,550	\$11,451 to \$43,650	\$16,051 to \$65,100	\$8,026 to \$32,550
25%	\$32,551 to \$78,850	\$43,651 to \$112,650	\$65,101 to \$131,450	\$32,551 to \$65,725
28%	\$78,851 to \$164,550	\$112,651 to \$182,400	\$131,451 to \$200,300	\$65,726 to \$100,150
33%	\$164,551 to \$357,700	\$182,401 to \$357,700	\$200,301 to \$357,700	\$100,151 to \$178,850
35%	Over \$357,700	Over \$357,700	Over \$357,700	Over \$178,850

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	\$5,450
Married Filing Jointly	\$10,900
Dependent Individual	Greater of \$900 or \$300 plus earned income
Aged and Blind	\$1,350
	<i>Single (not surviving spouse)</i>
	<i>Married</i>
Head of Household	\$8,000

Estate and Gift Taxes

Estate Tax Exemption	\$2,000,000
Lifetime Gift Tax Exemption	\$1,000,000
Annual Gift Tax Exclusion	\$12,000

Miscellaneous Tax Related Items

Dependency Deduction	\$3,500
Threshold for Phase Out for Dependency Deductions (married filing jointly)	\$239,950
Threshold for Phase Out for Itemized Deductions (married filing jointly)	\$159,950

Qualified Transportation Benefit

Parking (per month)	\$220
Transit Pass (per month)	\$115
Mileage Rate	50.5¢ per mile