



**Buckingham
Financial
Group, Inc.**

October 2011 Financial Planning Strategies:

The IRS recently released several key figures relating to 2012 tax planning. Many retirement plan contribution limits and deductions increased slightly.

Retirement Plan Contribution Limits

Plan	Maximum (under age 50)	Maximum (over age 50)
401(k), 403(b), 457, & SARSEP	\$17,000	\$22,500
IRA	\$5,000	\$6,000
Simple IRA	\$11,500	\$14,000
Aggregate allowable amount if enrolled in multiple plans: \$50,000		

Deductions and Exemptions

Item	Amount
Personal exemption:	\$3,800
Standard deduction (joint):	\$11,900
Standard deduction (head of household):	\$8,900
Standard deduction (single or married filing separately):	\$5,950
Addition for over age 65 or blind:	\$1,150

Estate and Gift Planning

Federal estate tax exclusion:	\$5,120,000
Annual gift exclusion:	\$13,000

Tax brackets also widened slightly, resulting in more income being taxed at lower brackets. The Social Security Administration announced a 3.6% benefit increase for 2012, the first since 2009. However, the net increase for many enrollees could actually be lower depending on the Medicare Part B premium increase, which is scheduled to be released in November. The taxable wage base was increased from \$106,800 in 2011 to \$110,100 in 2012. We will continue to monitor these developments as they are released. Please keep us informed of any expected changes in your circumstances that may impact your 2012 financial planning.

Sincerely,

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Vice President of Financial Planning

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