

2011 vs. 2012 Key Facts and Figures – March 2012 Exam

Keir Educational Resources compiled the following key facts and figures for the CFP® Certification Examination to assist you with your preparation for this comprehensive exam.

Please note the following items:

1. This list is not intended to be an all-inclusive listing of facts and figures tested on the CFP® Certification Examination.
2. Very few of the figures included in this list will be provided in your CFP® Certification Examination booklet. **Only the items underlined will be provided.** For example, all of the underlined Personal Exemption, Standard Deductions and Itemized Deductions information listed on the next page are provided. However, the exam booklet does not include information about the self employment taxes or kiddie taxes. As a result, you will need to know how to calculate both taxes. Likewise, you will need to memorize all the other items that are not underlined.

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| <ol style="list-style-type: none">3. We highlighted the information that changed between 2011 and 2012 with a box. |
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If you need assistance preparing for the exam or if you have a question about our materials, please send us an e-mail message at fpquestions@keirsuccess.com. We will have an instructor return your call or e-mail, typically within one business day.

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Personal Exemption	2011	2012
<u>Personal exemption amount per person</u>	<u>3,700</u>	<u>3,800</u>
Standard Deductions	2011	2012
<u>Single</u>	<u>5,800</u>	<u>5,950</u>
<u>Married filing jointly or surviving spouse</u>	<u>11,600</u>	<u>11,900</u>
<u>Married filing separately</u>	<u>5,800</u>	<u>5,950</u>
<u>Head of household</u>	<u>8,500</u>	<u>8,700</u>
<i>Additional standard deduction amount if age 65 or older or blind</i>		
<u>Married (per person)</u>	<u>1,150</u>	<u>1,150</u>
<u>Unmarried</u>	<u>1,450</u>	<u>1,450</u>
<i>Taxpayer is claimed as a dependent</i>		
<u>No earned income</u>	<u>950</u>	<u>950</u>
<u>Earned income (earned income plus amount)</u>	<u>300</u>	<u>300</u>
<u>Maximum deduction using earned income</u>	<u>5,800</u>	<u>5,950</u>
Employment Taxes	2011	2012
<i>Social Security tax rate</i>		
Employer's portion	6.2%	6.2%
Employee's portion	4.2%	6.2%
Total for self-employed individual	10.4%	12.4%
<u>Maximum amount of earnings subject to Social Security taxes</u>	<u>106,800</u>	<u>110,100</u>
<i>Medicare tax rate</i>		
Employer's portion	1.45%	1.45%
Employee's portion	1.45%	1.45%
Total for self-employed individual	2.9%	2.9%
Maximum amount of earnings subject to Medicare taxes	Unlimited	Unlimited
<i>Total employment taxes</i>		
Employer's portion	7.65%	7.65%
Employee's portion	5.65%	7.65%
Total for self-employed individual	13.3%	15.3%
Percentage of self-employed earnings subject to SE taxes	92.35%	92.35%
Percentage of SE taxes deducted above-the-line	50%	50%

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Kiddie Tax	2011	2012
Amount not subject to tax due to personal exemption	950	950
Amount taxed at child's rate of 10%	950	950
Unearned income above these amounts taxed at parents' marginal tax rate	Unlimited	Unlimited

Child Tax Credit	2011	2012
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Child tax credit per child	1,000	1,000
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Phaseout of \$50 for every \$1,000 or fraction thereof that AGI exceeds the following amounts (completely phased out if AGI exceeds threshold by \$20,000 per child):

<u>Single</u>	<u>75,000</u>	<u>75,000</u>
<u>Married filing jointly or surviving spouse</u>	<u>110,000</u>	<u>110,000</u>
<u>Married filing separately</u>	<u>55,000</u>	<u>55,000</u>
<u>Head of household</u>	<u>75,000</u>	<u>75,000</u>

Child or Dependent Care Credit	2011	2012
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Maximum amount of qualifying expenses

One child or dependent	3,000	3,000
Two or more children or dependents	6,000	6,000

AGI amount when credit reduced to 20% level	43,000	43,000
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Maximum credit, assuming taxpayer's AGI at 20% level

One child or dependent	600	600
Two or more children or dependents	1,200	1,200

American Opportunity Tax Credit (formerly called Hope Credit)	2011	2012
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Credit percentage amounts

<u>First \$2,000</u>	<u>100%</u>	<u>100%</u>
<u>Second \$2,000</u>	<u>25%</u>	<u>25%</u>

Maximum credit	<u>\$2,500</u>	<u>\$2,500</u>
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Phaseout starts at the following AGI amounts:

<u>Single</u>	<u>80,000</u>	<u>80,000</u>
<u>Married filing jointly or surviving spouse</u>	<u>160,000</u>	<u>160,000</u>
<u>Married filing separately</u>	<u>0</u>	<u>0</u>
<u>Head of household</u>	<u>80,000</u>	<u>80,000</u>

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	2011	2012
<i>Credit completely phased out at the following AGI amounts:</i>		
<u>Single</u>	<u>90,000</u>	<u>90,000</u>
<u>Married filing jointly or surviving spouse</u>	<u>180,000</u>	<u>180,000</u>
<u>Married filing separately</u>	<u>0</u>	<u>0</u>
<u>Head of household</u>	<u>90,000</u>	<u>90,000</u>

Lifetime Learning Credit

	2011	2012
<i>Credit percentage amounts</i>		
<u>First \$10,000</u>	<u>20%</u>	<u>20%</u>
Maximum credit	\$2,000	\$2,000

<i>Phaseout starts at the following AGI amounts:</i>		
<u>Single</u>	<u>51,000</u>	<u>52,000</u>
<u>Married filing jointly or surviving spouse</u>	<u>102,000</u>	<u>104,000</u>
<u>Married filing separately</u>	<u>0</u>	<u>0</u>
<u>Head of household</u>	<u>51,000</u>	<u>52,000</u>
<i>Credit completely phased out at the following AGI amounts:</i>		
<u>Single</u>	<u>61,000</u>	<u>62,000</u>
<u>Married filing jointly or surviving spouse</u>	<u>122,000</u>	<u>124,000</u>
<u>Married filing separately</u>	<u>0</u>	<u>0</u>
<u>Head of household</u>	<u>61,000</u>	<u>62,000</u>

Education Expenses

	2011	2012
Above-the-line deduction for educational loan interest payments	2,500	2,500

Phaseout of educational loan interest deduction starts at the following AGI amounts:

<u>Single</u>	<u>60,000</u>	<u>60,000</u>
<u>Married filing jointly or surviving spouse</u>	<u>120,000</u>	<u>125,000</u>
<u>Married filing separately</u>	<u>0</u>	<u>0</u>
<u>Head of household</u>	<u>60,000</u>	<u>60,000</u>

Educational loan interest deduction completely phased out at the following AGI amounts:

<u>Single</u>	<u>75,000</u>	<u>75,000</u>
<u>Married filing jointly or surviving spouse</u>	<u>150,000</u>	<u>155,000</u>
<u>Married filing separately</u>	<u>0</u>	<u>0</u>
<u>Head of household</u>	<u>75,000</u>	<u>75,000</u>

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	2011	2012
Above-the-line deduction for tuition and related expenses		
<i>AGI limitations to claim up to the full \$4,000 above-the-line deduction</i>	4,000	Expired
Single	65,000	n/a
Married filing jointly or surviving spouse	130,000	n/a
Married filing separately	65,000	n/a
Head of household	65,000	n/a

	2011	2012
<i>AGI limitation to claim up to \$2,000 above-the-line deduction if AGI exceeds the limits above for the \$4,000 deduction</i>		
Single	80,000	n/a
Married filing jointly or surviving spouse	160,000	n/a
Married filing separately	80,000	n/a
Head of household	80,000	n/a

Tax-free treatment on Series EE bonds

Phaseout of tax-free treatment on Series EE bonds starts at the following AGI amounts:

Single	71,100	72,850
Married filing jointly or surviving spouse	106,650	109,250
Married filing separately	71,100	72,850
Head of household	71,100	72,850

Tax-free treatment on Series EE bonds completely phased out at the following AGI amounts:

Single	86,100	87,850
Married filing jointly or surviving spouse	136,650	139,250
Married filing separately	86,100	87,850
Head of household	86,100	87,850

Coverdell Education Savings Accounts	2011	2012
Coverdell Education Savings Account (ESA) contribution limit	2,000	2,000
<i>Phaseout of ESA contribution starts at the following AGI amounts:</i>		
<u>Single</u>	<u>95,000</u>	<u>95,000</u>
<u>Married filing jointly or surviving spouse</u>	<u>190,000</u>	<u>190,000</u>
<u>Married filing separately</u>	<u>95,000</u>	<u>95,000</u>
<u>Head of household</u>	<u>95,000</u>	<u>95,000</u>

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ESA contribution completely phased out at the following AGI amounts:

	2011	2012
<u>Single</u>	<u>110,000</u>	<u>110,000</u>
<u>Married filing jointly or surviving spouse</u>	<u>220,000</u>	<u>220,000</u>
<u>Married filing separately</u>	<u>110,000</u>	<u>110,000</u>
<u>Head of household</u>	<u>110,000</u>	<u>110,000</u>

Section 179 Deduction	2011	2012
Section 179 deduction amount	500,000	139,000
Limit on property placed in service	2,000,000	560,000

Income Tax Rates

Marginal tax rate ends at the following income levels:

	2011	2012
<u>Single</u>		
<u>10%</u>	<u>8,500</u>	<u>8,700</u>
<u>15%</u>	<u>34,500</u>	<u>35,350</u>
<u>25%</u>	<u>83,600</u>	<u>85,650</u>
<u>28%</u>	<u>174,400</u>	<u>178,650</u>
<u>33%</u>	<u>379,150</u>	<u>388,350</u>
<u>35%</u>	<u>Unlimited</u>	<u>Unlimited</u>
<u>Married filing jointly or surviving spouse</u>		
<u>10%</u>	<u>17,000</u>	<u>17,400</u>
<u>15%</u>	<u>69,000</u>	<u>70,700</u>
<u>25%</u>	<u>139,350</u>	<u>142,700</u>
<u>28%</u>	<u>212,300</u>	<u>217,450</u>
<u>33%</u>	<u>379,150</u>	<u>388,350</u>
<u>35%</u>	<u>Unlimited</u>	<u>Unlimited</u>
<u>Married filing separately</u>		
<u>10%</u>	<u>8,500</u>	<u>8,700</u>
<u>15%</u>	<u>34,500</u>	<u>35,350</u>
<u>25%</u>	<u>69,675</u>	<u>71,350</u>
<u>28%</u>	<u>106,150</u>	<u>108,725</u>
<u>33%</u>	<u>189,575</u>	<u>194,175</u>
<u>35%</u>	<u>Unlimited</u>	<u>Unlimited</u>
<u>Head of household</u>		
<u>10%</u>	<u>12,150</u>	<u>12,400</u>
<u>15%</u>	<u>46,250</u>	<u>47,350</u>
<u>25%</u>	<u>119,400</u>	<u>122,300</u>
<u>28%</u>	<u>193,350</u>	<u>198,050</u>
<u>33%</u>	<u>379,150</u>	<u>388,350</u>
<u>35%</u>	<u>Unlimited</u>	<u>Unlimited</u>

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Income Tax Rates **2011** **2012**

<i>Trusts</i>		
<u>15%</u>	<u>2,300</u>	<u>2,400</u>
<u>25%</u>	<u>5,450</u>	<u>5,600</u>
<u>28%</u>	<u>8,300</u>	<u>8,500</u>
<u>33%</u>	<u>11,350</u>	<u>11,650</u>
<u>35%</u>	<u>Unlimited</u>	<u>Unlimited</u>

<i>Tax rates for capital gains and dividends</i>	2011	2012
Taxpayers above the 15% tax bracket	15%	15%
Taxpayers in the 10% or 15% tax bracket	0%	0%

Alternative Minimum Taxes (AMT) **2011** **2012**

<i>AMT exemption amounts</i>		
<u>Single</u>	<u>48,450</u>	<u>33,750</u>
<u>Married filing jointly or surviving spouse</u>	<u>74,450</u>	<u>45,000</u>
Married filing separately	37,225	22,500
Head of household	48,450	33,750

Phaseout of AMT exemption of 25% of AMTI that exceeds the following amounts:

Single	112,500	112,500
Married filing jointly or surviving spouse	150,000	150,000
Married filing separately	75,000	75,000
Head of household	112,500	112,500

AMT tax rates

On the first \$175,000 of AMT taxable income	26%	26%
On income above \$175,000	28%	28%
On capital gains and dividends	15%	15%

Estate and Gift Taxes **2011** **2012**

Annual gift tax exclusions

Gifts to any person	13,000	13,000
Gifts to a U.S. citizen spouse	unlimited	unlimited
Gifts to a noncitizen spouse	136,000	139,000

Lifetime gifts

<u>Applicable exclusion amount</u>	<u>5,000,000</u>	<u>5,000,000</u>
Applicable credit amount	1,730,800	1,730,800

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Estate and Gift Taxes	2011	2012
<i>Bequests at death</i>		
<u>Applicable exclusion amount</u>	<u>5,000,000</u>	<u>5,000,000</u>
Applicable credit amount	1,730,800	1,730,800
<u>Top estate tax rate</u>	<u>35%</u>	<u>35%</u>
<u>Top gift tax rate</u>	<u>35%</u>	<u>35%</u>
<i>Generation-skipping transfer (GST) tax</i>		
Annual GST exclusion	13,000	13,000
Lifetime GST exemption amount	5,000,000	5,000,000
Flat GST tax rate	35%	35%
Special-use valuation limit	1,020,000	1,040,000
Retirement Plans	2011	2012
<i>Taxpayer or employee contribution limits</i>		
IRA (combined traditional and Roth IRA limit)	5,000	5,000
401(k) plans	16,500	17,000
403(b) plans	16,500	17,000
457 plans	16,500	17,000
SIMPLE plans	11,500	11,500
<i>Catch-up contribution limits</i>		
IRA (combined traditional and Roth IRA limit)	1,000	1,000
401(k) plans	5,500	5,500
403(b) plans	5,500	5,500
457 plans	5,500	5,500
SIMPLE plans	2,500	2,500
<i>Defined-contribution plan limitations</i>		
Participating payroll	25%	25%
Maximum percentage of employee's compensation	100%	100%
Participant's contribution not to exceed	49,000	50,000
Maximum compensation to be considered	245,000	250,000

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Retirement Plans

2011**2012**

Defined-benefit plan limitations

Maximum annual benefit	195,000	200,000
Maximum compensation to be considered	245,000	250,000

SEP plan limitations

Maximum percentage of employee's compensation	25%	25%
Participant's contribution not to exceed	49,000	50,000
Minimum compensation needed to participate	550	550
Maximum compensation to be considered	245,000	250,000

Qualified plan definitions

Highly-compensated employee

Any employee who owns 5% or more of the company

Any employee among the top 20% highest-paid and paid more than	110,000	115,000
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Key employee

Any officer earning	160,000	165,000
Any employee who owns 5% or more of the company		
Any employee who owns 1% or more of the company and makes	150,000	150,000

Phaseout of IRA deduction starts at the following amounts:

Single	56,000	58,000
Married filing jointly or surviving spouse	90,000	92,000
Married filing separately	0	0
Head of household	56,000	58,000

IRA deduction completely phased out at the following amounts:

Single	66,000	68,000
Married filing jointly or surviving spouse	110,000	112,000
Married filing separately	10,000	10,000
Head of household	66,000	68,000

Phaseout of IRA deduction with an active participant spouse

AGI limit when phaseout starts	169,000	173,000
AGI limit when completely phased out	179,000	183,000

Phaseout of Roth IRA contributions starts at the following amounts:

Single	107,000	110,000
Married filing jointly or surviving spouse	169,000	173,000
Married filing separately	0	0
Head of household	107,000	110,000

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Retirement Plans

2011**2012**

Roth IRA contribution completely phased out at the following amounts:

Single	122,000	125,000
Married filing jointly or surviving spouse	179,000	183,000
Married filing separately	10,000	10,000
Head of household	122,000	125,000

Social Security Benefits

2011**2012**

Limit on earnings before the reduction of benefits of \$1 for every \$2 earnings above limitation

Under full retirement age	14,160	14,640
Over full retirement age	n/a	n/a
Amount needed to earn one Social Security credit	1,120	1,130

Medicare

2011**2012**

Part A deductibles for hospital stays

Days 1-60 (total deductible for all 60 days)

1,132

1,156

Days 61-90 (deductible per day)

283

289

Days 91-150 (deductible per day)

566

578

Part A deductibles for skilled nursing facility

Days 1-20

0

0

Days 21-100 (deductible per day)

141.50

144.50

Part B monthly premium (monthly premiums will be higher if AGI exceeds \$85,000 for single taxpayers or \$170,000 MFJ taxpayers)

115.40

99.90

Part B annual deductible

162

140