

Tax, Retirement Plan, and Regulatory Update 2009

The following changes are effective for 2009.

- The annual gift tax exclusion increases to \$13,000 (up from \$12,000). A married couple may now contribute \$26,000.
- For 529 college savings plans the amount of contributions which may be aggregated over five years is now \$65,000 (5 × \$13,000). For a married couple the onetime amount would now be \$130,000. These increases are based on the higher annual gift tax exclusion
- The maximum contribution allowed to a defined contribution plan including SEP, and Keogh Plans has increased to \$49,000 (up from \$46,000 in 2008).
- An employee is eligible to be included in a SEP if their annual compensation is \$550.
- The income limits have increased for those people eligible to contribute to a Roth IRA. For single filers the range is \$105,000 to \$120,000 (up from \$101,000 to \$116,000 in 2008) and for joint filers the range is \$166,000 to \$176,000 (up from \$159,000 to \$169,000 in 2008).
- The annual contribution permitted to a 401 (k), 403 (b), or 457 retirement plan increases to \$16,500. The catch up provision for these plans for individuals aged 50 or over is \$5,500.

The following Regulatory updates are effective for 2009.

- FINRA is beginning to combine former NASD and NYSE rules into one new FINRA rulebook. They are doing this in installments, rather than all at once. The first set of rules, the noncontroversial ones where content has not changed, took effect December 15, 2008. Only the rule numbers have been changed. Also, while the Qualifications section of the FINRA Web site shows new outlines for some examinations, there is no cause for concern since the examination content has not changed.