

# OppenheimerFunds Retirement Services

## 2012 IRA and Tax Planning Reference Guide

Use this guide to keep the information you need at your fingertips.

### Retirement Plans Annual Limit

#### Traditional IRA Deductibility Schedule for 2011 and 2012<sup>1</sup>

| 2011                   | Modified Adjusted Gross Income <sup>2</sup> | Maximum Traditional IRA Deduction   |
|------------------------|---|---|
| Single Filers          | \$0–\$55,999                                | Full \$5,000 (\$6,000 if age 50+)   |
|                        | \$56,000–\$65,999                           | Partial: $\$5,000^* - [(\$5,000^* \times (\text{MAGI} - \$56,000)) / \$10,000]$ |
|                        | \$66,000 and above                          | No deduction  |
| Married Filing Jointly | \$0–\$89,999                                | Full \$5,000 (\$6,000 if age 50+)   |
|                        | \$90,000–\$109,999                          | Partial: $\$5,000^* - [(\$5,000^* \times (\text{MAGI} - \$90,000)) / \$20,000]$ |
|                        | \$110,000 and above                         | No deduction  |
| 2012                   | Modified Adjusted Gross Income              | Maximum Traditional IRA Deduction   |
| Single Filers          | \$0–\$57,999                                | Full \$5,000 (\$6,000 if age 50+)   |
|                        | \$58,000–\$67,999                           | Partial: $\$5,000^* - [(\$5,000^* \times (\text{MAGI} - \$58,000)) / \$10,000]$ |
|                        | \$68,000 and above                          | No deduction  |
| Married Filing Jointly | \$0–\$91,999                                | Full \$5,000 (\$6,000 if age 50+)   |
|                        | \$92,000–\$111,999                          | Partial: $\$5,000^* - [(\$5,000^* \times (\text{MAGI} - \$92,000)) / \$20,000]$ |
|                        | \$112,000 and above                         | No deduction  |

#### IRA Contribution Limits

Total Contributions to all Traditional and Roth IRA Accounts

| Age        | 2011–2012 |
|------------|-----------|
| Under 50   | \$5,000   |
| 50 or over | \$6,000   |

| For individuals not covered by an employer-sponsored plan |           |                        |                     |
|---|-----------|------------------------|---------------------|
| Year  | Single    | Married filing jointly | Spouse is covered   |
| 2011  | Unlimited | Unlimited              | \$169,000–\$179,000 |
| 2012  | Unlimited | Unlimited              | \$173,000–\$183,000 |

\*For individuals age 50 or older, change factor to \$6,000.

#### Roth IRA Eligibility for 2011–2012

| If your filing status is              | And your 2011 MAGI <sup>2</sup> is | Then your 2011 Allowable Roth IRA Contribution is                | And your 2012 MAGI <sup>2</sup> is | Then your 2012 Allowable Roth IRA Contribution is                |
|---------------------------------------|------------------------------------|--|------------------------------------|--|
| Single and under 50                   | Up to \$106,999                    | Full \$5,000   | Up to \$109,999                    | Full \$5,000   |
|                                       | \$107,000–\$121,999                | Partial: $[(\$122,000 - \text{MAGI}) / \$15,000] \times \$5,000$ | \$110,000–\$124,999                | Partial: $[(\$125,000 - \text{MAGI}) / \$15,000] \times \$5,000$ |
|                                       | \$122,000 and above                | No allowable contribution  | \$125,000 and above                | No allowable contribution  |
| Single and 50 or over                 | Up to \$106,999                    | Full \$6,000   | Up to \$109,999                    | Full \$6,000   |
|                                       | \$107,000–\$121,999                | Partial: $[(\$122,000 - \text{MAGI}) / \$15,000] \times \$6,000$ | \$110,000–\$124,999                | Partial: $[(\$125,000 - \text{MAGI}) / \$15,000] \times \$6,000$ |
|                                       | \$122,000 and above                | No allowable contribution  | \$125,000 and above                | No allowable contribution  |
| Married Filing Jointly and under 50   | Up to \$168,999                    | Full \$5,000   | Up to \$172,999                    | Full \$5,000   |
|                                       | \$169,000–\$178,999                | Partial: $[(\$179,000 - \text{MAGI}) / \$10,000] \times \$5,000$ | \$173,000–\$182,999                | Partial: $[(\$183,000 - \text{MAGI}) / \$10,000] \times \$5,000$ |
|                                       | \$179,000 and above                | No allowable contribution  | \$183,000 and above                | No allowable contribution  |
| Married Filing Jointly and 50 or over | Up to \$168,999                    | Full \$6,000   | Up to \$172,999                    | Full \$6,000   |
|                                       | \$169,000–\$178,999                | Partial: $[(\$179,000 - \text{MAGI}) / \$10,000] \times \$6,000$ | \$173,000–\$182,999                | Partial: $[(\$183,000 - \text{MAGI}) / \$10,000] \times \$6,000$ |
|                                       | \$179,000 and above                | No allowable contribution  | \$183,000 and above                | No allowable contribution  |

\*Note: For a married individual filing a separate return who is an active participant in an employer-sponsored retirement plan, the phase-out range is \$0 to \$10,000.

1. This chart portrays deductibility limits for investors who are personally covered by an employer-sponsored plan. If you are not covered, but your spouse is, please consult IRS Publication 590 for deductibility limit.  
2. Modified Adjusted Gross Income (MAGI) is determined before any IRA deductions.



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## Federal Income Tax Rate Schedules

### Tax Year 2011

#### Single

| If taxable income is over | but not over | the tax is   |
|---------------------------|--------------|--|
| \$0                       | \$8,500      | 10% of taxable income                              |
| \$8,500                   | \$34,500     | \$850 plus 15% of the amount over \$8,500          |
| \$34,500                  | \$83,600     | \$4,750 plus 25% of the amount over \$34,500       |
| \$83,600                  | \$174,400    | \$17,025 plus 28% of the amount over \$83,600      |
| \$174,400                 | \$379,150    | \$42,449 plus 33% of the amount over \$174,400     |
| \$379,150                 | No limit     | \$110,016.50 plus 35% of the amount over \$379,150 |

#### Married Filing Jointly or Qualifying Widow(er)

| If taxable income is over | but not over | the tax is  |
|---------------------------|--------------|---|
| \$0                       | \$17,000     | 10% of taxable income                             |
| \$17,000                  | \$69,000     | \$1,700 plus 15% of the amount over \$17,000      |
| \$69,000                  | \$139,350    | \$9,500 plus 25% of the amount over \$69,000      |
| \$139,350                 | \$212,300    | \$27,087.50 plus 28% of the amount over \$139,350 |
| \$212,300                 | \$379,150    | \$47,513.50 plus 33% of the amount over \$212,300 |
| \$379,150                 | No limit     | \$102,574 plus 35% of the amount over \$379,150   |

#### Married Filing Separately

| If taxable income is over | but not over | the tax is  |
|---------------------------|--------------|---|
| \$0                       | \$8,500      | 10% of taxable income                             |
| \$8,500                   | \$34,500     | \$850 plus 15% of the amount over \$8,500         |
| \$34,500                  | \$69,675     | \$4,750 plus 25% of the amount over \$34,500      |
| \$69,675                  | \$106,150    | \$13,543.75 plus 28% of the amount over \$69,675  |
| \$106,150                 | \$189,575    | \$23,756.75 plus 33% of the amount over \$106,150 |
| \$189,575                 | No limit     | \$51,287 plus 35% of the amount over \$189,575    |

#### Head of Household

| If taxable income is over | but not over | the tax is   |
|---------------------------|--------------|--|
| \$0                       | \$12,150     | 10% of taxable income                              |
| \$12,150                  | \$46,250     | \$1,215 plus 15% of the amount over \$12,150       |
| \$46,250                  | \$119,400    | \$6,330 plus 25% of the amount over \$46,250       |
| \$119,400                 | \$193,350    | \$24,617.50 plus 28% of the amount over \$119,400  |
| \$193,350                 | \$379,150    | \$45,323.50 plus 33% of the amount over \$193,350  |
| \$379,150                 | No limit     | \$106,637.50 plus 35% of the amount over \$379,150 |

#### Estates and Trusts

| If taxable income is over | but not over | the tax is                                     |
|---------------------------|--------------|--|
| \$0                       | \$2,300      | 15% of taxable income                          |
| \$2,300                   | \$5,450      | \$345 plus 25% of the amount over \$2,300      |
| \$5,450                   | \$8,300      | \$1,132.50 plus 28% of the amount over \$5,450 |
| \$8,300                   | \$11,350     | \$1,930.50 plus 33% of the amount over \$8,300 |
| \$11,350                  | No limit     | \$2,937 plus 35% of the amount over \$11,350   |

### Tax Year 2012

#### Single

| If taxable income is over | but not over | the tax is   |
|---------------------------|--------------|--|
| \$0                       | \$8,700      | 10% of taxable income                              |
| \$8,700                   | \$35,350     | \$870 plus 15% of the amount over \$8,700          |
| \$35,350                  | \$85,650     | \$4,867.50 plus 25% of the amount over \$35,350    |
| \$85,650                  | \$178,650    | \$17,442.50 plus 28% of the amount over \$85,650   |
| \$178,650                 | \$388,350    | \$43,482.50 plus 33% of the amount over \$178,650  |
| \$388,350                 | No limit     | \$112,683.50 plus 35% of the amount over \$388,350 |

#### Married Filing Jointly or Qualifying Widow(er)

| If taxable income is over | but not over | the tax is                                      |
|---------------------------|--------------|---|
| \$0                       | \$17,400     | 10% of taxable income                           |
| \$17,400                  | \$70,700     | \$1,740 plus 15% of the amount over \$17,400    |
| \$70,700                  | \$142,700    | \$9,735 plus 25% of the amount over \$70,700    |
| \$142,700                 | \$217,450    | \$27,735 plus 28% of the amount over \$142,700  |
| \$217,450                 | \$388,350    | \$48,665 plus 33% of the amount over \$217,450  |
| \$388,350                 | No limit     | \$105,062 plus 35% of the amount over \$388,350 |

#### Married Filing Separately

| If taxable income is over | but not over | the tax is  |
|---------------------------|--------------|---|
| \$0                       | \$8,700      | 10% of taxable income                             |
| \$8,700                   | \$35,350     | \$870 plus 15% of the amount over \$8,700         |
| \$35,350                  | \$71,350     | \$4,867.50 plus 25% of the amount over \$35,350   |
| \$71,350                  | \$108,725    | \$13,867.50 plus 28% of the amount over \$71,350  |
| \$108,725                 | \$194,175    | \$24,332.50 plus 33% of the amount over \$108,725 |
| \$194,175                 | No limit     | \$52,531 plus 35% of the amount over \$194,175    |

#### Head of Household

| If taxable income is over | but not over | the tax is                                      |
|---------------------------|--------------|---|
| \$0                       | \$12,400     | 10% of taxable income                           |
| \$12,400                  | \$47,350     | \$1,240 plus 15% of the amount over \$12,400    |
| \$47,350                  | \$122,300    | \$6,482.50 plus 25% of the amount over \$47,350 |
| \$122,300                 | \$198,050    | \$25,220 plus 28% of the amount over \$122,300  |
| \$198,050                 | \$388,350    | \$46,430 plus 33% of the amount over \$198,050  |
| \$388,350                 | No limit     | \$109,229 plus 35% of the amount over \$388,350 |

#### Estates and Trusts

| If taxable income is over | but not over | the tax is                                      |
|---------------------------|--------------|---|
| \$0                       | \$2,400      | 15% of taxable income                           |
| \$2,400                   | \$5,600      | \$360 plus 25% of the amount over \$2,400       |
| \$5,600                   | \$8,500      | \$1,160 plus 28% of the amount over \$5,600     |
| \$8,500                   | \$11,650     | \$1,972 plus 33% of the amount over \$8,500     |
| \$11,650                  | No limit     | \$3,011.50 plus 35% of the amount over \$11,650 |

## Retirement Plan Limits and Distribution Rules

### Retirement Plan Annual Limits

|   | 2011      | 2012      |
|---|-----------|-----------|
| 401(k), 403(b) and 457 plan elective deferral limit             | \$16,500  | \$17,000  |
| 401(k), 403(b) and 457 plan age 50+ catch-up contribution limit | \$5,500   | \$5,500   |
| SIMPLE IRA elective deferral limit                              | \$11,500  | \$11,500  |
| SIMPLE IRA age 50+ catch-up contribution limit                  | \$2,500   | \$2,500   |
| Maximum annual contribution for defined contribution plans      | \$49,000  | \$50,000  |
| Annual compensation limit                                       | \$245,000 | \$250,000 |
| Definition of <i>highly compensated employee</i>                | \$110,000 | \$115,000 |
| Definition of <i>key employee</i> in top-heavy plan             | \$160,000 | \$165,000 |
| SEP minimum compensation  | \$550     | \$550     |
| Social Security taxable wage base                               | \$106,800 | \$110,100 |
| Maximum annual benefit for defined benefit plans                | \$195,000 | \$200,000 |
| Traditional and Roth IRA contribution limit                     | \$5,000   | \$5,000   |
| Traditional and Roth IRA age 50+ catch-up contribution limit    | \$1,000   | \$1,000   |
| Social Security tax rate (employee)                             | 7.65%     | 7.65%     |
| Social Security tax rate (self-employed)                        | 15.30%    | 15.30%    |

### Long-term Capital Gains and Dividends Tax Rates

|                                | 2011 | 2012 |
|--------------------------------|------|------|
| 25% and higher income brackets | 15%  | 15%  |
| 10% and 15% brackets           | 0%   | 0%   |

### AMT Exemptions and Phase-outs

|      | Filing Status            | Exemption | Phase-out Begins | Phase-out Ends |
|------|--------------------------|-----------|------------------|----------------|
| 2011 | Married Filing jointly   | \$74,450  | \$150,000        | \$447,800      |
|      | Single/Head of Household | \$48,450  | \$112,500        | \$306,300      |
| 2012 | Married Filing jointly   | \$45,000  | \$150,000        | \$330,000      |
|      | Single/Head of Household | \$33,750  | \$112,500        | \$247,500      |

### Uniform Life Table

This table is used for calculating Required Minimum Distributions (RMDs) from qualified retirement plans and Traditional IRAs for account holders whose spouse is not more than 10 years younger.

| Age | Distribution Period | Age  | Distribution Period |
|-----|---------------------|------|---------------------|
| 70  | 27.4                | 93   | 9.6                 |
| 71  | 26.5                | 94   | 9.1                 |
| 72  | 25.6                | 95   | 8.6                 |
| 73  | 24.7                | 96   | 8.1                 |
| 74  | 23.8                | 97   | 7.6                 |
| 75  | 22.9                | 98   | 7.1                 |
| 76  | 22.0                | 99   | 6.7                 |
| 77  | 21.2                | 100  | 6.3                 |
| 78  | 20.3                | 101  | 5.9                 |
| 79  | 19.5                | 102  | 5.5                 |
| 80  | 18.7                | 103  | 5.2                 |
| 81  | 17.9                | 104  | 4.9                 |
| 82  | 17.1                | 105  | 4.5                 |
| 83  | 16.3                | 106  | 4.2                 |
| 84  | 15.5                | 107  | 3.9                 |
| 85  | 14.8                | 108  | 3.7                 |
| 86  | 14.1                | 109  | 3.4                 |
| 87  | 13.4                | 110  | 3.1                 |
| 88  | 12.7                | 111  | 2.9                 |
| 89  | 12.0                | 112  | 2.6                 |
| 90  | 11.4                | 113  | 2.4                 |
| 91  | 10.8                | 114  | 2.1                 |
| 92  | 10.2                | 115+ | 1.9                 |

## Retirement Saver's Credit

### Tax Thresholds (MAGI)

|      | Credit | Individual        | Head of Household | Married Filing Jointly |
|------|--------|-------------------|-------------------|------------------------|
| 2011 | 50%    | \$0–\$17,000      | \$0–\$25,500      | \$0–\$34,000           |
|      | 20     | \$17,001–\$18,250 | \$25,501–\$27,375 | \$34,001–\$36,500      |
|      | 10     | \$18,251–\$28,250 | \$27,376–\$42,375 | \$36,501–\$56,500      |
|      | 0      | \$28,251 or more  | \$42,376 or more  | \$56,501 or more       |
| 2012 | 50%    | \$0–\$17,250      | \$0–\$25,875      | \$0–\$34,500           |
|      | 20     | \$17,251–\$18,750 | \$25,876–\$28,125 | \$34,501–\$37,500      |
|      | 10     | \$18,751–\$28,750 | \$28,126–\$43,125 | \$37,501–\$57,500      |
|      | 0      | \$28,751 or more  | \$43,126 or more  | \$57,501 or more       |

## Eligible Long-term Care Deductions

### Maximum Long-term Care Premiums Eligible for Itemized Medical Deduction

| Age  | 40 or less | 41–50 | 51–60   | 61–70   | Over 70 |
|------|------------|-------|---------|---------|---------|
| 2011 | \$330      | \$620 | \$1,230 | \$3,290 | \$4,110 |
| 2012 | \$350      | \$660 | \$1,310 | \$3,500 | \$4,370 |

## Health Savings Accounts (HSAs)

| HSA Annual Contributions               | 2011    | 2012    |
|--|---------|---------|
| Self coverage, individual under age 55 | \$3,050 | \$3,100 |
| Self coverage, individual over age 55  | \$4,050 | \$4,100 |
| Family coverage                        | \$6,150 | \$6,250 |

| Out-of-pocket Spending on HSA-Compatible HDHPs | 2011     | 2012     |
|--|----------|----------|
| Self coverage                                  | \$5,950  | \$6,050  |
| Family coverage                                | \$11,900 | \$12,100 |

| Minimum Deductible Amount for HSA-Compatible HDHPs | 2011    | 2012    |
|--|---------|---------|
| Self coverage                                      | \$1,200 | \$1,200 |
| Family coverage                                    | \$2,400 | \$2,400 |

## Common IRA-related Tax Forms

### Forms Mailed to You

| Form            | Must-mail-by Date | What the Form Reports   |
|-----------------|-------------------|---|
| IRS Form 1099-R | 1/31/12           | <ul style="list-style-type: none"> <li>■ Conversions</li> <li>■ Distributions</li> <li>■ Removal of excess contributions</li> <li>■ Earnings on those contributions</li> <li>■ Direct rollovers from qualified plans</li> </ul>                     |
| IRS Form 5498   | 5/31/12           | <ul style="list-style-type: none"> <li>■ Contributions</li> <li>■ Rollovers</li> <li>■ Recharacterizations</li> <li>■ Conversions (clients receive one form per account, regardless of the number of conversions or recharacterizations)</li> </ul> |

### Forms You May Need to File Along with IRS Form 1040

| Form          | Must-mail-by Date | What the Form Reports   |
|---------------|-------------------|---|
| IRS Form 8606 | 4/17/12           | <ul style="list-style-type: none"> <li>■ Nondeductible Traditional IRA contributions</li> <li>■ Distributions from, or conversions of, part of or all the assets in Traditional IRAs, SEP IRAs or SIMPLE IRAs</li> <li>■ Conversion from Traditional, Roth, SEP or SIMPLE IRAs to Roth</li> <li>■ Rollovers from qualified retirement plans (other than designated Roth accounts to Roth IRAs)</li> </ul> |
| IRS Form 5329 | 4/17/12           | <ul style="list-style-type: none"> <li>■ Penalties triggered by:                             <ul style="list-style-type: none"> <li>■ Early distributions (most made before age 59½)</li> <li>■ Excess contributions (those above the annual limit)</li> <li>■ Excess accumulation (occurs when a taxpayer does not take the complete RMD)</li> </ul> </li> </ul>   |

## Education Savings Tax Incentives

### Coverdell Education Savings Accounts (Education IRAs)

Contribution Limit \$2,000

| MAGI Phase-out Range for Contributions to Coverdell Education Savings Accounts | 2011                | 2012                |
|--|---------------------|---------------------|
| Married Filing Jointly   | \$190,000–\$220,000 | \$190,000–\$220,000 |
| Single   | \$95,000–\$110,000  | \$95,000–\$110,000  |

### Qualified Tuition Programs—Section 529 Plans

Distributions used for qualified education expenses are federal income tax free.

### American Opportunity Tax Credit

| MAGI Phase-outs        | 2011                | 2012                |
|------------------------|---------------------|---------------------|
| Married Filing Jointly | \$160,000–\$180,000 | \$160,000–\$180,000 |
| Others                 | \$80,000–\$90,000   | \$80,000–\$90,000   |

Maximum amount of \$2,500. Can be claimed for up to four years of post-secondary education.

### Exclusion of U.S. Savings Bond Income

| MAGI Phase-outs        | 2011                | 2012                |
|------------------------|---------------------|---------------------|
| Married Filing Jointly | \$106,650–\$136,650 | \$109,250–\$139,250 |
| Others                 | \$71,000–\$86,100   | \$72,850–\$87,850   |

### Student Loan Interest Deduction

Maximum Deduction \$2,500

| MAGI Phase-outs        | 2011                | 2012                |
|------------------------|---------------------|---------------------|
| Married Filing Jointly | \$120,000–\$150,000 | \$125,000–\$155,000 |
| Single                 | \$60,000–\$75,000   | \$60,000–\$75,000   |

## Social Security Schedules

### Tax Rates on Social Security Benefits

Based on Modified Adjusted Gross Income (MAGI) Thresholds

|                        | 50% Taxable if over <sup>1</sup> | 85% Taxable if over <sup>1</sup> |
|------------------------|----------------------------------|----------------------------------|
| Married Filing Jointly | \$34,000                         | \$44,000                         |
| Single                 | \$25,000                         | \$34,000                         |

1. Applicable if total of one-half of benefits and all other income is more than listed amount or if married filing separately and lived with spouse at any time during the year.

### Social Security Benefit Reductions

Based on Earnings

|  | 2011         | 2012         |
|--|--------------|--------------|
| <b>Under full retirement age</b><br>(\$1 in benefits will be withheld for every \$2 in earnings above the limit.)  | \$14,160     | \$14,640     |
| <b>The year an individual reaches full retirement age</b> (Applies only to earnings for months prior to attaining full retirement age. One dollar in benefits will be withheld for every \$3 in earnings above the limit.) | \$37,680     | \$38,880     |
| <b>At full retirement age</b><br>(Beginning the month an individual attains full retirement age.)  | No reduction | No reduction |

### Maximum Compensation Subject to FICA Taxes

|   | 2011                                | 2012                                |
|---|-------------------------------------|-------------------------------------|
| OASDI (Soc. Sec.) Maximum                         | \$106,800                           | \$110,100                           |
| HI (Medicare) Maximum                             | No limit                            | No limit                            |
| OASDI tax rate                                    | 10.4% self-employed, 4.2% employees | 12.4% self-employed, 6.2% employees |
| HI tax rate: 2.9% self-employed, 1.45% employees. |                                     |                                     |

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