



## Stimulus Package Highlights for Individuals and Business Owners

### **Individuals:**

#### **Tax Credits for First Time Home Buyers**

- The biggest tax benefit is the refundable tax credit, which was increased from \$7,500 to \$8,000.
- The home must be purchased after December 31st, 2008 and before December 1st, 2009. It cannot be sold for three years or the buyer is subject to repayment provision (credit must be repaid over fifteen years). If owned as primary residence for three years, credit does not have to be repaid. All first time home buyers who purchased in 2008 are still required to repay this tax credit.
- Individual's income over \$75,000 and married couples earning over \$150,000 and filing jointly are not eligible for this tax credit.

#### **"Making Work Pay" tax credit for 2009 and 2010**

- At a rate of 6.2 percent of earned income (after federal taxes are taken out), individuals will receive a tax credit up to \$400 and couples up to \$800. This credit will be processed through your payroll check withholdings.
- People with no federal income-tax liability will receive money back since the credit is refundable.

### **Unemployment: Compensation and Health Coverage**

#### **Compensation: 2009**

- Increased the average weekly payment, by \$25, through an extended unemployment benefits program.
- An additional seven weeks was granted to jobless workers in addition to the 13 weeks received through the program.

#### **Health Coverage**

- To insure group health coverage for nine months, 65 percent of the cost of premiums for jobless workers will be subsidized.
- Eligibility requires individual to be unemployed between Sept. 1, 2008, and Dec. 31, 2009.

### **Business Owners:**

- Companies will receive bonus depreciation (slow way of expensing an asset) for business investing in new plants and equipment.
- Doubling of the amount that small business can write off for capital investments and new equipment purchases.

The following link [http://projects.nytimes.com/44th\\_president/stimulus](http://projects.nytimes.com/44th_president/stimulus) is a great resource to learn about additional highlights of the stimulus plan.



## New Quarterly Report Packet – Time Weighted Performance

You have received new reports for the period ending December 31, 2008, representing fourth quarter 2008 time-weighted performance, as well as the full year.

### Quarterly Review Reminder:

As per the postcard mailed to you in early February, I am available in person or over the phone to discuss your 2008 performance as well as current market conditions.

### Emailing Reports: Optional

Please email me at [plampert@patricialampert.com](mailto:plampert@patricialampert.com) - which email address you would like your reports sent and expressly state that you wish your reports sent via email, as opposed to regular mail.

Call 888.440.4755 or email me at [plampert@patricialampert.com](mailto:plampert@patricialampert.com)

## 2009 Tax Information:

**Tax return deadline is Wednesday, April, 15th**

### Contributions for 2008 & 2009

	Age 49 and below	Age 50 & above
Traditional IRA	\$5,000	\$6,000
Roth IRA	\$5,000	\$6,000

### Contributions for 2009 ONLY

Simple IRA	\$11,500	\$14,000
401k, 403b, 457 plans	\$16,500	\$22,000

### Minimum Required Distributions (MRD)

For 2009, seniors (70 ½ and older) who are taking annual MRDs, are not required to withdraw distribution this year. Government's way of trying to help you leave it in the account a year longer with hopes of recovering some of the value.

## Trish's Tips: College Funding Accounts

- The annual gift tax exclusion typically used for 529 Plans and minor accounts increased to \$13,000 (from \$12,000) for 2009.
- The 529 Plan investment allocation can be changed (2x) twice a year for 2009, from (1x) a year previously.
- As part of the stimulus package, a tax credit of up to \$2,500 a year for all four years of college tuition, instead of \$1,800 a year for the first two years – effective in years 2009 and 2010.
- Individuals making between \$80,000 and \$90,000 and couples earning between \$160,000 and \$180,000 within ranges get a partial tax credit; above ranges are not eligible due to phase-out.

## What a year for Pennsylvania in sports!

With a majority of my clients being die-hard sports fans, I would like to applaud the Steelers' fans on a brilliant Super Bowl victory as well as a belated congratulations to the Phillies' fans on a historical World Series Win. Hopefully, next year's Super Bowl will feature Steelers vs. Eagles!