

TAX AND FINANCIAL PLANNING TABLES

2002



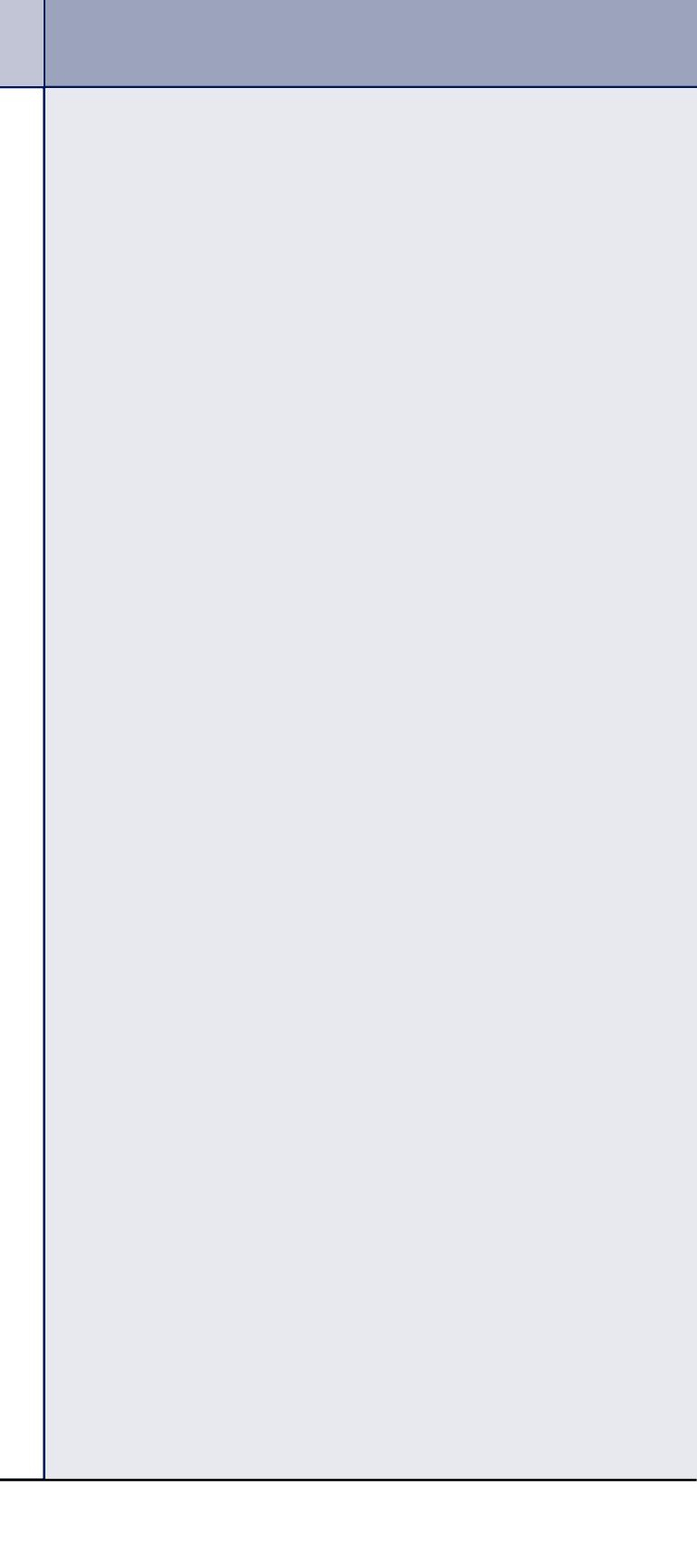
*Tax brackets, Social
Security benefits,
IRA information
and much more.*

RAYMOND JAMESTM

FINANCIAL SERVICES, INC.

Member NASD/SIPC

You first.



2002 INCOME TAX RATES: INDIVIDUALS

Taxable income is income after all deductions, including either itemized deductions or the standard deduction, and exemptions.

Married Taxpayer Joint/Surviving Spouse

<u>Taxable Income</u>	<u>Pay</u>	<u>Plus % on Excess</u>	<u>Of the Amount Above</u>
Below \$12,000	N/A	10.0%	\$ 0
\$12,000 - 46,700	\$ 1,200.00	15.0	12,000
\$46,700 - 112,850	6,405.00	27.0	46,700
\$112,850 - 171,950	24,265.50	30.0	112,850
\$171,950 - 307,050	41,995.50	35.0	171,950
Over \$307,050	89,280.50	38.6	307,050

Single Taxpayer

<u>Taxable Income</u>	<u>Pay</u>	<u>Plus % on Excess</u>	<u>Of the Amount Above</u>
Below \$6,000	N/A	10.0%	\$ 0
\$6,000 - 27,950	\$ 600.00	15.0	6,000
\$27,950 - 67,700	3,892.50	27.0	27,950
\$67,700 - 141,250	14,625.00	30.0	67,700
\$141,250 - 307,050	36,690.00	35.0	141,250
Over \$307,050	94,720.00	38.6	307,050

Head of Household

<u>Taxable Income</u>	<u>Pay</u>	<u>Plus % on Excess</u>	<u>Of the Amount Above</u>
Below \$10,000	N/A	10.0%	\$ 0
\$10,000 - 37,450	\$ 1,000.00	15.0	10,000
\$37,450 - 96,700	5,117.50	27.0	37,450
\$96,700 - 156,600	21,115.00	30.0	96,700
\$156,600 - 307,050	39,085.00	35.0	156,600
Over \$307,050	91,742.50	38.6	307,050

Personal & Dependency Exemption: \$3,000

These exemptions have been phased out for individuals with income between \$137,300 and \$259,800; couples with income between \$206,000 and \$328,500; and heads of households with income between \$171,650 and \$294,150.

2002 Standard Deductions

<u>Single</u>	<u>Head of Household</u>	<u>Joint</u>
\$4,700	\$6,900	\$7,850

Extra deduction if blind or over 65:

Single: \$1,100

Married: \$900

KIDDIE TAX RULES

The Kiddie Tax Rules require the unearned income of a child under age 14 be taxed at the greater of the child's or parent's marginal tax bracket once it exceeds \$1,500. The first \$750 in unearned income is not subject to tax, either at the child's rate or the parent's rate. Unearned income of more than \$750 and up to \$1,500 is taxed at the child's rate of 10%. Unearned income of more than \$1,500 is taxed at an adjusted parent's rate.

2002 INCOME TAX RATES: CORPORATIONS

<u>Taxable Income</u>	<u>Pay</u>	<u>Plus % on Excess</u>	<u>Of the Amount Above</u>
Below \$50,000	\$ 0	15.0%	\$ 0
\$50,000-75,000	7,500	25.0	50,000
\$75,000-100,000	13,750	34.0	75,000
\$100,000-335,000	22,250	39.0	100,000
\$335,000-10,000,000	113,900	34.0	335,000
\$10,000,000-15,000,000	3,400,000	35.0	10,000,000
\$15,000,000-18,333,333	5,150,000	38.0	15,000,000
Over \$18,333,333	0	35.0	0

CORPORATE DIVIDEND EXCLUSION

Corporations are eligible for a 70% dividend exclusion on dividends received from domestic corporations whose stock was held for more than 45 days.

INDIVIDUAL RETIREMENT ACCOUNTS

Deductibility of Contributions - 2002

Taxpayers with incomes in 2002 up to \$54,000 (\$34,000 for single taxpayers) are now able to set aside up to \$3,000 in traditional IRAs for retirement savings and fully deduct the contribution on their tax return (assumes coverage by an employer retirement plan).

	<u>Adj. Gross Income</u>	<u>Deduction</u>
Married	\$0 - 54,000	\$3,000 maximum
Filing Jointly	\$54,001 - 64,000	Partial
	Over \$64,000	None
Single	\$0 - 34,000	\$3,000 maximum
	\$34,001 - 44,000	Partial
	Over \$44,000	None

A spouse who is not covered by an employer retirement plan can now make a fully deductible \$3,000 contribution to an IRA even if their spouse is covered by an employer plan. This deductible contribution is gradually phased out for the nonparticipant spouse if the couple's adjusted gross income (AGI) is between \$150,001 and \$160,000, and unavailable if their AGI is more than 160,000.

ROTH IRA

Eligible to Make Contributions - 2002

Contributions made to a Roth IRA are not deductible, unlike contributions made to a traditional IRA, and there is no age restriction on making contributions. An individual may contribute up to \$3,000 each year to the Roth IRA (less contributions made to a traditional IRA), subject to income phaseout limits.

	<u>Adj. Gross Income</u>	<u>Contribution</u>
Married	\$0 - 150,000	\$3,000 maximum
Filing Jointly	\$150,001 - 160,000	Partial
	Over \$160,000	None
Single	\$0 - 95,000	\$3,000 maximum
	\$95,001 - 110,000	Partial
	Over \$110,000	None

A traditional IRA may be rolled over (or simply converted) into a Roth IRA if your adjusted gross income is not above \$100,000. This applies to both single and joint filers.

CATCH-UP CONTRIBUTION

A catch-up contribution of \$500 can be made to a traditional or Roth IRA by a participant age 50 or older.

2002 SOCIAL SECURITY, MEDICARE & SELF-EMPLOYMENT TAXES

For 2002, you will pay Social Security and/or self-employment tax on your wages up to \$84,900. For any wages you earn over \$84,900, you will pay just the Medicare portion of the tax. Self-employed individuals are allowed an income tax deduction for 50% of the self-employment tax.

	Social Security		
	<u>OASDI*</u>	<u>Medicare</u>	<u>Total</u>
Employees	6.20%	1.45%	7.65%
Self-Employed	12.40	2.90	15.30

*Old age, survivor and disability insurance portion of Social Security tax.

2002 SOCIAL SECURITY EARNINGS TEST

<u>Worker Age</u>	<u>Limit</u>
62-65	\$11,280
65 or older	No limit

Income over the \$11,280 limit is lost at the rate of \$1.00 for every \$2.00 earned.

MONTHLY SOCIAL SECURITY BENEFITS AT FULL RETIREMENT AGE*

To receive an estimate of your Social Security benefits, call Social Security at 800-772-1213.

<u>Your Age in 2001</u>	<u>Based on \$50,000 Salary</u>	<u>Based on \$80,400+ Salary</u>
65	\$1,411	\$1,660
64	\$1,450	\$1,717
63	\$1,480	\$1,762
62	\$1,522	\$1,822
61	\$1,524	\$1,837
55	\$1,537	\$1,925
50	\$1,544	\$1,960

*Full retirement age is 65 and 4 months.

2002 TRUST & ESTATE INCOME TAX RATES

<u>Taxable Income</u>	<u>Pay</u>	<u>Plus % on Excess</u>	<u>Of the Amount Above</u>
Below \$1,850	N/A	15.0%	\$ 0
\$1,850 - 4,400	\$ 277.50	28.0	1,850
\$4,400 - 6,750	991.50	31.0	4,400
\$6,750 - 9,200	1,751.00	36.0	6,750
Over \$9,200	2,633.00	39.6	9,200

UNIFIED ESTATE & GIFT TAX SCHEDULE

Taxable Estate

Tax Before Credit

<u>Over</u>	<u>But Not Over</u>	<u>Pay</u>	<u>Plus %</u>	<u>On Excess Over</u>
\$ 0	\$ 10,000	\$ 0	18%	\$ 0
10,000	20,000	1,800	20	10,000
20,000	40,000	3,800	22	20,000
40,000	60,000	8,200	24	40,000
60,000	80,000	13,000	26	60,000
80,000	100,000	18,200	28	80,000
100,000	150,000	23,800	30	100,000
150,000	250,000	38,800	32	150,000
250,000	500,000	70,800	34	250,000
500,000	750,000	155,800	37	500,000
750,000	1,000,000	248,300	39	750,000
1,000,000	1,250,000	345,800	41	1,000,000
1,250,000	1,500,000	448,300	43	1,250,000
1,500,000	2,000,000	555,800	45	1,500,000
2,000,000	2,500,000	780,800	49	2,000,000
2,500,000	—	1,025,800	50	2,500,000

UNIFIED ESTATE & GIFT TAX CREDIT

Beginning in 2002, the applicable credit amount will gradually increase until estate taxes are totally repealed in 2010. In 2002, the applicable credit amount will be \$1,000,000.

2002 Tax Credit

\$345,800

Equivalent Estate

\$1,000,000

LIFE EXPECTANCY

<u>Male Age</u>	<u>Female Age</u>	<u>Additional Years</u>
40	45	33.8
45	50	29.6
50	55	25.5
55	60	21.7
60	65	18.2
65	70	15.0
70	75	12.1
75	80	9.6
80	85	7.5
85	90	5.7
90	95	4.2

Source: 2001 Tax Facts

2002 TAXABLE YIELD EQUIVALENTS

Tax-Exempt

<u>Yields</u>	<u>15%</u>	<u>27%</u>	<u>30%</u>	<u>35%</u>	<u>38.6%</u>
4.0%	4.71%	5.48%	5.71%	6.15%	6.51%
4.5	5.29	6.16	6.43	6.92	7.33
5.0	5.88	6.85	7.14	7.69	8.14
5.5	6.47	7.53	7.86	8.46	8.96
6.0	7.06	8.22	8.57	9.23	9.77
6.5	7.65	8.90	9.29	10.00	10.59
7.0	8.24	9.59	10.00	10.77	11.40
7.5	8.82	10.27	10.71	11.54	12.21
8.0	9.41	10.96	11.43	12.31	13.03

PRESENT VALUE OF A LUMP SUM

What if you know you will need \$10,000 accumulated 10 years from now? How much money do you need to invest today at an average interest rate of 8% to obtain your goal? Looking at the table below, go to 10 years and then across to 8%. You see that \$.463 invested today at 8% should yield \$1.00 in 10 years. Since you want \$10,000, you multiply \$.463 by \$10,000 to arrive at \$4,630.

<u>Years</u>	<u>5%</u>	<u>6%</u>	<u>8%</u>	<u>10%</u>	<u>12%</u>
10	.614	.558	.463	.386	.322
20	.377	.312	.215	.149	.104
30	.231	.174	.099	.057	.033
40	.142	.097	.046	.022	.011

FUTURE VALUE OF A LUMP SUM

If you invest \$10,000 at an interest rate of 8%, how much will your investment be worth in 10 years? By referring to the table, you find that \$1.00 invested today at 8% would grow to \$2.159 in 10 years. Since you invested \$10,000 you multiply \$2.159 by \$10,000, giving you \$21,590.

<u>Years</u>	<u>5%</u>	<u>6%</u>	<u>8%</u>	<u>10%</u>	<u>12%</u>
10	1.629	1.791	2.159	2.594	3.105
20	2.653	3.207	4.661	6.727	9.646
30	4.322	5.743	10.063	17.449	29.959
40	7.040	10.286	21.725	45.259	93.051

PRESENT VALUE OF A SERIES OF ANNUAL PAYMENTS

How much money would you have to invest today at an interest rate of 8% to provide \$10,000 per year for 10 years? Looking at the chart below, to receive \$1.00 per year for 10 years at 8%, you would need to invest \$6.710. Multiply that figure by \$10,000 to get \$67,100, the amount which you would need to invest.

<u>Years</u>	<u>5%</u>	<u>6%</u>	<u>8%</u>	<u>10%</u>	<u>12%</u>
10	7.722	7.360	6.710	6.144	5.650
20	12.462	11.470	9.818	8.513	7.469
30	15.372	13.765	11.258	9.427	8.055
40	17.159	15.046	11.925	9.779	8.244

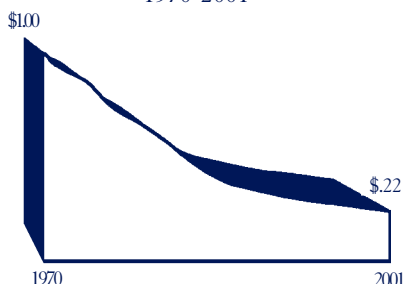
FUTURE VALUE OF A SERIES OF ANNUAL PAYMENTS

If you deposit \$5,000 in an annuity at the end of each year for 10 years at an 8% interest rate, you would have \$72,435 (\$5,000 x \$14.487) in your account at the end of the 10th year.

<u>Years</u>	<u>5%</u>	<u>6%</u>	<u>8%</u>	<u>10%</u>	<u>12%</u>
10	12.578	13.181	14.487	15.937	17.549
20	33.066	36.786	45.762	57.275	72.052
30	66.439	79.058	113.283	164.494	241.333
40	120.800	154.762	259.057	442.593	767.091

THE IMPACT OF INFLATION

Purchasing Power of the Dollar
1970-2001



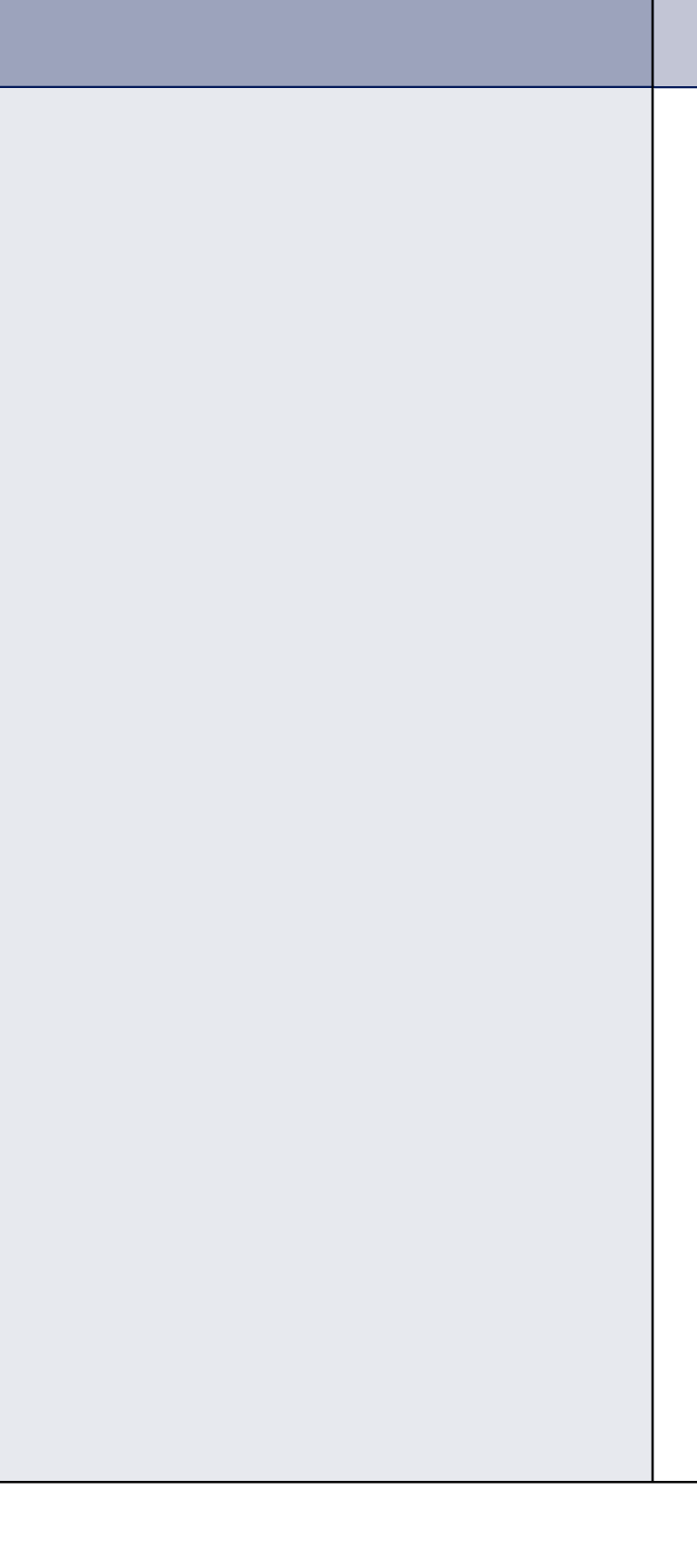
Source: Ibbotson Associates

HISTORICAL RELATIVE RETURNS 1965-2001

<u>Asset Class</u>	<u>Compound Annual Rate of Return</u>
Inflation	4.80%
Cash	6.35%
Bonds	7.54%
S&P 500	11.05%

Source: Ibbotson Associates

The information provided in this brochure is based on internal and external sources believed reliable; however, the accuracy and completeness of the information is not guaranteed and the figures may have changed since the time of printing. Please consult with your tax advisor for questions relating to your individual situation.



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