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We provide a prompt, professional, personal one-on-one tax preparation from the comfort of your home. We are competitively priced and offer a lot of additional information from our web site – [www.taxlogic.com](http://www.taxlogic.com)

The following are some additional changes from the Economic Growth & Relief Reconciliation Act of 2001. However, if we don't hit upon a topic you are interested in, please visit our website at [www.taxlogic.com](http://www.taxlogic.com).

## Tax Changes and Your Retirement

- The maximum contributions allowed for eligible individuals under age 50 for traditional and Roth IRAs will be raised to \$3,000 in 2002 to \$4,000 in 2005 and \$5,000 in 2008.
- Individuals who will be age 50 and over beginning in 2002 will be allowed to make additional "catch-up" contributions to their traditional IRAs, of \$500 per year.
- The amounts you may contribute to a 401(k), 403 (b) and SAR-SEP (under the age 50), has gone from \$10,500 in 2001 to \$11,000 in 2002. For those over 50, the amounts have gone from \$10,500 in 2001, to \$12,000 for 2002. Over the next few years the maximum amount a participant (under age 50) can contribute to 401(k), 403(b) or SAR-SEP will gradually go up to \$15,000 in 2007. For those age 50 and above, the amount will go to \$20,000, in the year 2007. The maximum amount of the combined employer and employee contributions in a single year will go from \$35,500 to \$40,000, in 2002. The Simple Plan has also gone from \$6,500 in 2001, to \$7,000 the year 2002.

Qualifying employees should make plans now to benefit from the new Saver's Credit next year. This tax credit, which will be available from 2002 through 2006, will help offset the cost of the first \$2,000 contributed to IRAs, 401(k) s and certain other retirement plans. The Saver's credit applies to individuals with income up to \$25,000, \$37,500 for a head of household, and \$50,000 for married couples. The credit is a percentage of the qualifying contribution with the highest rate for taxpayers with the least income, as shown in the following chart:

Credit Rate	Married, Joint	Head of Household	Others
50%	Up to \$30,000	Up to \$22,500	up to \$15,000
20%	\$30,001-\$32,500	\$22,501-\$24,375	\$15,001-\$16,250
10%	\$32,501-\$50,000	\$24,375-\$37,500	\$16,251-\$25,000

For more information on the Saver's credit, please contact us at [www.taxlogic.com](http://www.taxlogic.com)

## Child Tax Credit

With the new tax laws, the child tax credit you can take for each child under 17, depending on your income, will go from \$500 to \$600 in the year 2001. By the year 2010 that credit will be \$1,000 per child. In addition, multiple changes will impact the amount and the ways you (and your employer) can make investments in your child's Education. For more information contact us at [www.taxlogic.com](http://www.taxlogic.com).

We would be happy to give you more information on the tax cut and help you to understand the financial issues that affect you at our site [www.taxlogic.com](http://www.taxlogic.com).