

# OppenheimerFunds Retirement Services

## Plans That Work



# 2008 IRA and Tax Planning Reference Guide

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

## IRA Deductibility, Contribution and Eligibility Limits

### Traditional IRA Deductibility Schedule

Modified Adjusted Gross Income (MAGI)<sup>1</sup>

Fully deductible up to lowest amount in income range and phased out within the range

For individuals covered by an employer-sponsored plan			
Year	Single	Married, filing jointly	
2007	\$52,000-\$62,000	\$83,000-\$103,000	
2008	\$53,000-\$63,000	\$85,000-\$105,000	
For individuals not covered by an employer-sponsored plan			
Year	Single	Married, filing jointly	Spouse is covered
2007	Unlimited	Unlimited	\$156,000-\$166,000
2008	Unlimited	Unlimited	\$159,000-\$169,000

### IRA Contribution Limits

Total Contributions to all Traditional and Roth IRA Accounts for 2007 and 2008

Age	2007	2008
Under 50	\$4,000	\$5,000
50 and Over	\$5,000	\$6,000

### Roth IRA Eligibility and Contribution Schedules

2007	Modified Adjusted Gross Income <sup>1</sup>	Maximum Roth IRA Contribution
Single Filers	\$0-\$98,999	Full \$4,000 contribution (\$5,000 if age 50+)
	\$99,000-\$113,999	Partial contribution = $((\$114,000 - \text{MAGI})/\$15,000) \times \$4,000^*$
	\$114,000 and above	No contribution
Married Couples Filing Jointly	\$0-\$155,999	Full \$4,000 contribution (\$5,000 if age 50+)
	\$156,000-\$165,999	Partial contribution = $((\$166,000 - \text{MAGI})/\$10,000) \times \$4,000^*$
	\$166,000 and above	No contribution
2008	Modified Adjusted Gross Income <sup>1</sup>	Maximum Roth IRA Contribution
Single Filers	\$0-\$100,999	Full \$5,000 contribution (\$6,000 if age 50+)
	\$101,000-\$115,999	Partial contribution = $((\$116,000 - \text{MAGI})/\$15,000) \times \$5,000^*$
	\$116,000 and above	No contribution
Married Couples Filing Jointly	\$0-\$158,999	Full \$5,000 contribution (\$6,000 if age 50+)
	\$159,000-\$168,999	Partial contribution = $((\$169,000 - \text{MAGI})/\$10,000) \times \$5,000^*$
	\$169,000 and above	No contribution

\* For individuals age 50 and older multiply by \$5,000 for 2007 and \$6,000 for 2008.

1. Modified Adjusted Gross Income (MAGI) is determined before any IRA deductions.

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## Federal Income Tax Rate Schedules

### Tax Year 2007

#### Single

If taxable income is over	but not over	the tax is
\$0	\$7,825	10% of taxable income
\$7,825	\$31,850	\$782.50 plus 15% of the amount over \$7,825
\$31,850	\$77,100	\$4,386.25 plus 25% of the amount over \$31,850
\$77,100	\$160,850	\$15,698.75 plus 28% of the amount over \$77,100
\$160,850	\$349,700	\$39,148.75 plus 33% of the amount over \$160,850
\$349,700	No limit	\$101,469.25 plus 35% of the amount over \$349,700

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

If taxable income is over	but not over	the tax is
\$0	\$15,650	10% of taxable income
\$15,650	\$63,700	\$1,565.00 plus 15% of the amount over \$15,650
\$63,700	\$128,500	\$8,772.50 plus 25% of the amount over \$63,700
\$128,500	\$195,850	\$24,972.50 plus 28% of the amount over \$128,500
\$195,850	\$349,700	\$43,830.50 plus 33% of the amount over \$195,850
\$349,700	No limit	\$94,601.00 plus 35% of the amount over \$349,700

#### Married Filing Separately

If taxable income is over	but not over	the tax is
\$0	\$7,825	10% of taxable income
\$7,825	\$31,850	\$782.50 plus 15% of the amount over \$7,825
\$31,850	\$64,250	\$4,386.25 plus 25% of the amount over \$31,850
\$64,250	\$97,925	\$12,486.25 plus 28% of the amount over \$64,250
\$97,925	\$174,850	\$21,915.25 plus 33% of the amount over \$97,925
\$174,850	No limit	\$47,300.50 plus 35% of the amount over \$174,850

#### Head of Household

If taxable income is over	but not over	the tax is
\$0	\$11,200	10% of taxable income
\$11,200	\$42,650	\$1,120.00 plus 15% of the amount over \$11,200
\$42,650	\$110,100	\$5,837.50 plus 25% of the amount over \$42,650
\$110,100	\$178,350	\$22,700.00 plus 28% of the amount over \$110,100
\$178,350	\$349,700	\$41,810.00 plus 33% of the amount over \$178,350
\$349,700	No limit	\$98,355.50 plus 35% of the amount over \$349,700

#### Estates & Trusts

If taxable income is over	but not over	the tax is
\$0	\$2,150	15% of taxable income
\$2,150	\$5,000	\$322.50 plus 25% of the amount over \$2,150
\$5,000	\$7,650	\$1,035.00 plus 28% of the amount over \$5,000
\$7,650	\$10,450	\$1,777.00 plus 33% of the amount over \$7,650
\$10,450	No limit	\$2,701.00 plus 35% of the amount over \$10,450

### Tax Year 2008

#### Single

If taxable income is over	but not over	the tax is
\$0	\$8,025	10% of taxable income
\$8,025	\$32,550	\$802.50 plus 15% of the amount over \$8,025
\$32,550	\$78,850	\$4,481.25 plus 25% of the amount over \$32,550
\$78,850	\$164,550	\$16,056.25 plus 28% of the amount over \$78,850
\$164,550	\$357,700	\$40,052.25 plus 33% of the amount over \$164,550
\$357,700	No limit	\$103,791.75 plus 35% of the amount over \$357,700

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

If taxable income is over	but not over	the tax is
\$0	\$16,050	10% of taxable income
\$16,050	\$65,100	\$1,605 plus 15% of the amount over \$16,050
\$65,100	\$131,450	\$8,962.50 plus 25% of the amount over \$65,100
\$131,450	\$200,300	\$25,550 plus 28% of the amount over \$131,450
\$200,300	\$357,700	\$44,828 plus 33% of the amount over \$200,300
\$357,700	No limit	\$96,770 plus 35% of the amount over \$357,700

#### Married Filing Separately

If taxable income is over	but not over	the tax is
\$0	\$8,025	10% of taxable income
\$8,025	\$32,550	\$802.50 plus 15% of the amount over \$8,025
\$32,550	\$65,725	\$4,481.25 plus 25% of the amount over \$32,550
\$65,725	\$100,150	\$12,775 plus 28% of the amount over \$65,725
\$100,150	\$178,850	\$22,414 plus 33% of the amount over \$100,150
\$178,850	No limit	\$48,385 plus 35% of the amount over \$178,850

#### Head of Household

If taxable income is over	but not over	the tax is
\$0	\$11,450	10% of taxable income
\$11,450	\$43,650	\$1,145 plus 15% of the amount over \$11,450
\$43,650	\$112,650	\$5,975 plus 25% of the amount over \$43,650
\$112,650	\$182,400	\$23,225 plus 28% of the amount over \$112,650
\$182,400	\$357,700	\$42,755 plus 33% of the amount over \$182,400
\$357,700	No limit	\$100,604 plus 35% of the amount over \$357,700

#### Estates and Trusts

If taxable income is over	but not over	the tax is
\$0	\$2,200	15% of taxable income
\$2,200	\$5,150	\$330 plus 25% of the amount over \$2,200
\$5,150	\$7,850	\$1,067.50 plus 28% of the amount over \$5,150
\$7,850	\$10,700	\$1,823.50 plus 33% of the amount over \$7,850
\$10,700	No limit	\$2,764 plus 35% of the amount over \$10,700

## Retirement Plan Limits and Distribution Rules

### Retirement Plan Annual Limits

	2007	2008
Maximum salary deferral to 401(k), 403(b) and 457 plans	\$15,500	\$15,500
Maximum salary deferral to SIMPLE IRAs	\$10,500	\$10,500
Maximum annual compensation taken into account for contributions or benefits	\$225,000	\$230,000
Limit on annual additions to defined contribution plans	\$45,000	\$46,000
Limit on annual additions to SEPs	\$45,000	\$46,000
Annual compensation threshold requiring SEP contribution	\$500	\$500
Annual benefit limit under defined benefit plans	\$180,000	\$185,000
Threshold amount for definition of highly compensated employees	\$100,000	\$105,000
Threshold amount for definition of key employee in top-heavy plans	\$145,000	\$150,000
Catch-up contribution limit for 401(k), 403(b), SARSEP and 457 plans	\$5,000	\$5,000
Catch-up contribution limit for SIMPLEs	\$2,500	\$2,500

### 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 ten 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

## Federal Estate Tax Schedules

### Estate Tax

For deaths occurring in 2007

If the taxable estate is over	but not over	the tax is	of the amount over
\$0	\$10,000	\$0 + 18%	
\$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	+	\$780,800 + 45%	\$2,000,000

Subtract applicable credit below from calculated tax

Estate	Exclusion Amount	Applicable Credit
2004–2005	\$1,500,000	\$555,000
2006–2008	\$2,000,000	\$780,800
2009	\$3,500,000	\$1,455,800
2010	Estate tax repealed	
2011	\$1,000,000	\$345,800

## 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
2007	\$290	\$550	\$1,110	\$2,950	\$3,680
2008	\$310	\$580	\$1,150	\$3,080	\$3,850

## Saver's Credit Tax Thresholds

### 2007 Thresholds (MAGI)

Credit Rate	Married and Files a Joint Return		Files as Head of Household		Other Category of Filers	
	Over	Not Over	Over	Not Over	Over	Not Over
50%	\$0	\$31,000	\$0	\$23,250	\$0	\$15,500
20%	\$31,000	\$34,000	\$23,250	\$25,500	\$15,500	\$17,000
10%	\$34,000	\$52,000	\$25,500	\$39,000	\$17,000	\$26,000
0%	\$52,000	—	\$39,000	—	\$26,000	—

### 2008 Thresholds (MAGI)

Credit Rate	Married and Files a Joint Return		Files as Head of Household		Other Category of Filers	
	Over	Not Over	Over	Not Over	Over	Not Over
50%	\$0	\$32,000	\$0	\$24,000	\$0	\$16,000
20%	\$32,000	\$34,500	\$24,000	\$25,875	\$16,000	\$17,250
10%	\$34,500	\$53,000	\$25,875	\$39,750	\$17,250	\$26,500
0%	\$53,000	—	\$39,750	—	\$26,500	—

## Federal Gift Tax

### 2008 Thresholds

Annual Gift Tax Exclusion	\$12,000
Lifetime Gift Tax Exclusion	\$1,000,000
Lifetime GST Tax Exemption	\$2,000,000

## Common IRA-related Tax Forms

### Forms Mailed to You

Form	Must-mail-by Date	What the Form Reports
IRS Form 1099-R	1/31/08	<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	5/31/08	<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	4/15/08	<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, Roth, SEP or SIMPLE IRAs</li> </ul>
IRS Form 5329	4/15/08	<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>

## Oppenheimer Funds that May Be Well-suited for IRAs

Investment	Description	Ticker Symbol (A Shares)
<b>Oppenheimer LifeCycle Funds</b>	Asset allocation funds that become more conservative as investor approaches target retirement date	
Oppenheimer Transition 2010 Fund	Large initial equity exposure, rapid shift to fixed income and potential for growth with lower volatility	OTTAX
Oppenheimer Transition 2015 Fund	Greater initial equity exposure, moderate shift to fixed income and potential for growth with some volatility	OTFAX
Oppenheimer Transition 2020 Fund	High initial equity exposure, slow shift to fixed income and potential for aggressive growth with additional volatility	OTWAX
Oppenheimer Transition 2025 Fund <sup>1</sup>	High initial equity exposure, slower shift to fixed income and potential for very aggressive growth with additional volatility	OTDAX
Oppenheimer Transition 2030 Fund	Very high initial equity exposure, low initial fixed income and potential for very aggressive growth with high volatility	OTHAX
Oppenheimer Transition 2040 Fund <sup>1</sup>	Very high initial equity exposure, lower initial fixed income and potential for very aggressive growth with high volatility	OTIAX
Oppenheimer Transition 2050 Fund <sup>1</sup>	Very high initial equity exposure, lower initial fixed income and potential for very aggressive growth with higher volatility	OTKAX
<b>Oppenheimer Portfolio Series</b>	Asset allocation funds geared for specific investors based on risk tolerance	
Oppenheimer Conservative Investor Fund	Seeks current income, as well as long-term capital growth	OACIX
Oppenheimer Moderate Investor Fund	Seeks long-term capital growth, as well as current income	OAMIX
Oppenheimer Active Allocation Fund	Seeks long-term capital growth, as well as current income and includes "tactical component" to take advantage of current conditions	OAAAX
Oppenheimer Equity Investor Fund	Seeks long-term capital growth	OAAIX
Oppenheimer Fixed Income Allocation Fund <sup>1</sup>	Seeks total return and includes "tactical component" to take advantage of current conditions.	OAFAX
<b>Oppenheimer International Diversified Fund</b>	Seeks high total return through both capital appreciation and income by investing in a diversified portfolio of some of the world's leading international companies	OIDAX

1. This is a new fund with limited operating history.

Risks associated with Oppenheimer LifeCycle Funds, Oppenheimer Portfolio Series and Oppenheimer International Diversified Fund: While these portfolios may be appropriate for a portion of a retirement plan investment, they are not a complete investment program. Diversification does not assure a profit or protect against loss.

In managing the portfolios, the manager will have the authority to select and substitute certain underlying Oppenheimer funds, as designated in the prospectus, and may be subject to potential conflicts of interest because the fees paid to it by some underlying funds are higher than the fees paid by others. However, the manager is obligated to act in each portfolio's best interests when selecting underlying funds. Each of the underlying funds in which the portfolios invest has its own investment risks, and those risks can affect the value of each portfolio's shares and investments. In addition, there is no guarantee that the underlying funds will achieve their investment objectives. The underlying funds may change their investment objectives or policies without the approval of the portfolio, and a portfolio may be forced to sell its shares of the underlying funds at a disadvantageous time. Foreign investments (especially those in emerging and developing markets) may be more volatile and involve additional expenses and special risks, including currency fluctuations, foreign taxes and political and economic factors. Technology growth and small-cap stocks may be especially volatile. Value investing involves the risk that the market may not recognize that securities are undervalued and they may not appreciate as anticipated. Lower rated ("junk") bonds are more at risk of default than other bond investments. Derivative instruments, securities whose values depend on the performance of an underlying security or asset, entail potentially higher volatility and risk of loss compared to traditional stock or bond investments.

Risks associated with Oppenheimer LifeCycle Funds and Oppenheimer Portfolio Series Funds (Oppenheimer Conservative Investor Fund, Oppenheimer Moderate Investor Fund and Oppenheimer Active Allocation Fund): Because they do not have an active trading market, shares of Real Estate Investment Trusts (REITs) may be illiquid. The lack of an active trading market may make it difficult to value or sell shares of REITs promptly at an acceptable price. In addition, owning high concentrations of energy-related natural resources may significantly influence returns.

See the prospectuses for additional risks of investing in a portfolio.

## 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:	
Married Filing Jointly	\$190,000–\$220,000
Single	\$95,000–\$110,000
Qualified Tuition Programs—Section 529 Plans	
Distributions used for qualified education expenses are federal income tax free.	

### Hope and Lifetime Learning Credits

Hope Credit	
2007	2008
100% of qualified expenses up to \$1,100 and 50% of next \$1,100 (up to \$1,650 per student)	100% of qualified expenses up to \$1,200 and 50% of next \$1,200 (up to \$1,800 per student)

Lifetime Learning Credit is up to 20% of tuition paid; \$2,000 maximum. You cannot take the Lifetime Learning Credit for any student for whom you are taking the Hope Credit.

Hope Credit and Lifetime Learning Credit		
MAGI Phase-outs:	2007	2008
Married Filing Jointly	\$94,000–\$114,000	\$96,000–\$116,000
Others	\$47,000–\$57,000	\$48,000–\$58,000

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

MAGI Phase-outs:	2007	2008
Married Filing Jointly	\$98,400–\$128,400	\$100,650–\$130,650
Others	\$65,600–\$80,600	\$67,100–\$82,100

### Student Loan Interest Deduction

Maximum Deduction \$2,500

MAGI Phase-outs:	2007	2008
Married Filing Jointly	\$110,000–\$140,000	\$115,000–\$145,000
Single	\$55,000–\$70,000	\$55,000–\$70,000

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## Social Security Schedules

### Tax Rates on Social Security Benefits

Based on Modified Adjusted Gross Income (MAGI) Thresholds

	50% Taxable	85% Taxable <sup>1</sup>
Married Filing Jointly	\$32,000	\$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

	2007	2008
Under full retirement age	Maximum income with no reduction	
(Lose \$1 of benefit for every \$2 of earnings above maximum)	\$12,960	\$13,560
In the year of retirement (lose \$1 for every \$3) for months prior to full retirement	\$34,440	\$36,120
At full retirement age	No reduction	No reduction

### Maximum Compensation Subject to FICA Taxes

	2007	2008
OASDI (Soc. Sec.) Maximum	\$97,500	\$102,000
HI (Medicare) Maximum	No Limit	No Limit
OASDI tax rate: 12.4% self-employed, 6.2% employees HI tax rate: 2.9% self-employed, 1.45% employees		



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