

2007 DEPENDENT CARE WORKSHEET FOR FLEX-PLANS

Estimate Your Dependent Care Expenses & Save Taxes!

Table I • 2007 Tax Brackets

Income Tax Brackets	Filing Status			
	Single	MFJ	MFS	HOH
\$1 - \$7,825	17.65	17.65	17.65	17.65
7,826 - 11,200	22.65	17.65	22.65	17.65
11,201 - 15,650	22.65	17.65	22.65	22.65
15,651 - 31,850	22.65	22.65	22.65	22.65
31,851 - 42,650	32.65	22.65	32.65	22.65
42,651 - 63,700	32.65	22.65	32.65	32.65
63,701 - 64,250	32.65	32.65	32.65	32.65
64,251 - 77,100	32.65	32.65	35.65	32.65
77,101 - 97,500	35.65	32.65	35.65	32.65
97,501 - 97,925	29.45	26.45	29.45	26.45
97,926 - 110,100	29.45	26.45	34.45	26.45
110,101 - 128,500	29.45	26.45	34.45	29.45
128,501 - 160,850	29.45	29.45	34.45	29.45
160,851 - 174,850	34.45	29.45	34.45	29.45
174,851 - 178,350	34.45	29.45	36.45	29.45
178,351 - 195,850	34.45	29.45	36.45	34.45
195,851 - 349,700	34.45	34.45	36.45	34.45
349,701 & Over	36.45	36.45	36.45	36.45

Add State Taxes of 3% to 9% for Extra Savings if applicable.
Social Security Limit for 2007 is \$97,500; salaries above that amount save 6.2%, but Medicare payments of 1.45% continue.

Table II • Tax Credits

ADJUSTED GROSS INCOME	Credit Percentage
\$1 - \$15,000	35%
15,001 - 17,000	34
17,001 - 19,000	33
19,001 - 21,000	32
21,001 - 23,000	31
23,001 - 25,000	30
25,001 - 27,000	29
27,001 - 29,000	28
29,001 - 31,000	27
31,001 - 33,000	26
33,001 - 35,000	25
35,001 - 37,000	24
37,001 - 39,000	23
39,001 - 41,000	22
41,001 - 43,000	21
43,001 & Over	20

Dependent Care Worksheet

Worksheet 1.

Which Saves You The Most Money . . .
The Flex-Plan or Tax Credit?

1. List Dependent Care costs for the Plan
(up to \$5,000 for 1 or more dependents -
a household limit). _____

2. Find taxable income in Table I and
multiply Tax Rate by Line 1. _____

3. List Dependent Care costs for the Tax
Credit; up to \$3,000 for one dependent
and \$6,000 for two or more. _____

4. Find Adjusted Gross Income (AGI) in
Table II and multiply % by amount in Line
3. _____

Worksheet 2.

For Two or More Dependents . . .
Use After Completing Worksheet 1 with
contributions of \$5,000 to the Flex-Plan

1. Enter expenses above \$5,000
(up to \$1,000) for Line 1. _____

2. Find Adjusted Gross Income in
Table II. Multiply tax credit % by
amount in Line 1. _____

Note: The amount in Line 2 from Worksheet 2
should be added to the Flex-Plan's dependent care
expenses when filing Form 2441.

Example: \$100,000 of income for husband and wife, in 26.45%
tax bracket, filing as MFJ with dependent care expenses of
\$5,000. **Tax savings is \$1,322.50** (\$5,000 X .2645).

Tax Credits are applied to taxes owed. They are not a dollar-for-
dollar tax savings from salary like Flex-Plans.

Tax Credits (Code §21) and Flex-Plans (Code §125) both require
Form 2441 to be attached to individual's Tax Form 1040.

Dependent Care rules and Tax Calculator at:
www.trustadmin.com

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