2006 TAX UPDATE

Contribution Limits - Traditional and Roth IRAs, SEPs						
	2001	2002-2004	2005	2006 - 2007	2008	
Regular	\$2,000	\$3,000	\$4,000	\$4,000	\$5,000	
Catch-Up*	N/A	\$500	\$500	\$1,000	\$1,000	

^{*} Only taxpayers age 50 and over are eligible to make catch-up contributions

Roth Contribution Phase-out

AGI Phase-out Range for contributions to Roth IRAs in 2006:

▶ Married Filing Jointly: \$150,000 - \$160,000

▶ Single: \$95,000 – \$110,000

▶ Married Filing Separately: \$0 − \$10,000

Traditional IRA Deductibility Rules

Filing	Covered by Employer's	,		
Status	Retirement Plan?	Modified AGI 2005	Modified AGI 2006	Deductibility
	No	Any amount	Any amount	Full deduction
3 L E		\$50,000 or less	\$50,000 or less	Full deduction
SINGL	Yes	\$50,001-\$59,999	\$50,001-\$59,999	Partial deduction
		\$60,000 or more	\$60,000 or more	No deduction
	Neither Spouse			
	Covered	Any Amount	Any Amount	Full deduction
		\$70,000 or less	\$75,000 or less	Full deduction
	Both Spouses			
_	Covered	\$70,001-\$79,999	\$75,001-\$84,999	Partial deduction
FILING JOINTLY		\$80,000 or more	\$85,000 or more	No deduction
0		\$70,000 or less	\$75,000 or less	Full deduction
9 N	One Spouse			
Ξ	Covered-	\$70,001-\$79,999	\$75,001-\$84,999	Partial deduction
ED	For Covered			
MARRIED	Spouse	\$80,000 or more	\$85,000 or more	No deduction
Μ		\$150,000 or less	\$150,000 or less	Full deduction
	One Spouse			
	Covered-	\$150,001-\$159,999	\$150,001-\$159,999	Partial deduction
	For Non-Covered			
	Spouse	\$160,000 or more	\$160,000 or more	No deduction

Catch-up Contribution Limits for Other Qualified Plan Types

	2002	2003	2004	2005	2006	
401(k), 403(b)						
SAR-SEP and 457 Plans	\$1,000	\$2,000	\$3,000	\$4,000	\$5,000	
SIMPLE Plans	\$500	\$1,000	\$1,500	\$2,000	\$2,500	

Qualified Plans		
	2005	2006
Maximum elective deferral to retire. plans, e.g., 401(k),		
403(b) and 457 plans	\$14,000	\$15,000
Maximum elective deferral to SIMPLE 401(k) plans	\$10,000	\$10,000
Limit on annual additions to SEP plans	\$42,000	\$44,000
Annual compensation threshold requiring SEP contribution	\$450	\$450
Limit on annual additions to defined contribution plans	\$42,000	\$44,000
Maximum annual compensation taken into account for		
contributions	\$210,000	\$220,000

Qualified Plans (continued)		
	2005	2006
Annual benefit limit under defined benefit plans	\$170,000	\$175,000
Threshold amount for definition of highly		
compensated employee	\$95,000	\$100,000
Threshold amount for definition of key employee/officer		
in top-heavy plans	\$135,000	\$140,000
PBGC monthly guaranteed pension amount at age 65 (sin	ngle life)	\$3,971.59

Uniform Lifetime Table

For Calculating Required Minimum Distributions from Qualified Plans and Traditional IRAs

Current Age	Distribution Period	Current 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 and older	1.9

Saver's Tax Credit — Contributions to Employer Plans and IRAs

Maximum Credit \$1,000 for 2002 through 2007 after AGI limits below

Married Filing Jointly	Single	Credit	
\$0 to \$30,000	\$0 to \$15,000	50% of contribution	
\$30,001 to \$32,500	\$15,001 to \$16,250	20% of contribution	
\$32,501 to \$50,000	\$16,251 to \$25,000	10% of contribution	
Over \$50,000	Over \$25,000	Not Available	

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Growing and Protecting Your Wealth®

2006 Easy Reference Tax Guide

2006 Estate and Gift Tax Rates

If Taxable Estate/Gift Is:

Over	But Not Over	The Tax Is:	Of The Amount Over
\$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	_	\$780,800 + 46%	2,000,000

Subtract Applicable Credit Below from Calculated Tax:

Estate Tax	Exclusion Amount	Federal Credit	Gift Tax Exclusion
2002-2003	1,000,000	345,800	1,000,000
2004-2005	1,500,000	555,800*	1,000,000
2006-2008	2,000,000	780,800*	1,000,000
2009	3,500,000	1,455,800*	1,000,000
2010	Estate tax repea	led, gift tax remains	
2011	1,000,000	345,800	1,000,000

^{*}Federal Credit for Gift Taxes limited to \$345,800

Other Estate and Gift Tax Planning Items						
	2005	2006				
Annual gift tax exclusion	\$11,000	\$12,000				
Annual gift tax exclusion for non U.S. citizen spouses	\$117,000	\$120,000				
Generation Skipping Tax (GST) exemption	\$1,500,000	\$2,000,000				
IRC § 6166 2% limit for deferred estate tax payments	\$1,170,000	\$1,200,000				
Special Use Valuation for qualified real property	\$870,000	\$900,000				

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2005

If Taxable Income Is:

0ver	But Not Over	The Tax Is:	Of The Amount Over
Married Filin	g Jointly:		
\$0	14,600	\$0 + 10%	\$0
14,600	59,400	\$1,460 + 15%	14,600
59,400	119,950	\$8,180 + 25%	59,400
119,950	182,800	\$23,318 + 28%	119,950
182,800	326,450	\$40,916 + 33%	182,800
326,450	_	\$88,320 + 35%	326,450
Single:			
\$0	7,300	\$0 + 10%	\$0
7,300	29,700	\$730 + 15%	7,300
29,700	71,950	\$4,090 + 25%	29,700
71,950	150,150	\$14,653 + 28%	71,950
150,150	326,450	\$36,549 + 33%	150,150
326,450	_	\$94,728 + 35%	326,450
Estates and	Trusts:		
\$0	2,000	\$0 + 15%	\$0
2,000	4,700	\$300 + 25%	2,000
4,700	7,150	\$975 + 28%	4,700
7,150	9,750	\$1,661 + 33%	7,150
9,750	_	\$2,519 + 35%	9,750
Married Filin	g Separately:		
\$0	7,300	\$0 + 10%	\$0
7,300	29,700	\$730 + 15%	7,300
29,700	59,975	\$4,090 + 25%	29,700
59,975	91,400	\$11,659 + 28%	59,975
91,400	163,225	\$20,958 + 33%	91,400
163,225	_	\$44,160 + 35%	163,225
Head of Hou	sehold:		
\$0	10,450	\$0 + 10%	\$0
10,450	39,800	\$1,045 + 15%	10,450
39,800	102,800	\$5,498 + 25%	39,800
102,800	166,450	\$21,198 + 28%	102,800
166,450	326,450	\$39,020 + 33%	166,450
326,450		\$91,820 + 35%	326,450

Both Years 2005 and 2006

Capital Gains Tax:			
Taxpayer in:	Short Term <12 MONTHS		Long Term >12 MONTHS
10, 15% Bracket	ordinary rate		5%
Other Brackets:	ordinary rate		15%
Kiddie Tax:			
	2005	2006	
First	\$800	\$850	No Tax
Next	\$800	\$850	10% Tax
Amounts over:	\$1,600	\$1,700	Parent's Rate

Child Tax Credit

\$1,000 per child phases-out \$50 for each \$1,000 of mod. AGI over \$110,000 (married filing jointly), or \$75,000 (single)

Standard Deductions					
		Annual	Add'l Age 65 or Older, or Blind		
Married	2005	\$10,000	\$1,000		
Filing Jointly	2006	\$10,300	\$1,000		
Single	2005	\$5,000	\$1,250		
	2006	\$5,150	\$1,250		

Phase-out of Itemized Deductions

- Reduced by 3% of taxpayer's AGI in excess of \$150,500 (\$ 145,950 in 2005)
 Married filing sep. \$75,250 (\$ 72,975 in 2005)
- ▶ Reduction limited to 80% does not affect investment interest, medical, or casualty losses

2006

If Taxable Income Is:

Over	But Not Over	The Tax Is:	Of The Amount Over
Married Fili			
\$0	15,100	\$0 + 10%	\$0
15,100	61,300	\$1,510 + 15%	15,100
61,300	123,700	\$8,440 + 25%	61,300
123,700	188,450	\$24,040 + 28%	123,700
188,450	336,550	\$42,170 + 33%	188,450
336,550	_	\$91,043 + 35%	336,550
Single:			
\$0	7,550	\$0 + 10%	\$0
7,550	30,650	\$755 + 15%	7,550
30,650	74,200	\$4,220 + 25%	30,650
74,200	154,800	\$15,108 + 28%	74,200
154,800	336,550	\$37,676 + 33%	154,800
336,550	_	\$97,653 + 35%	336,550
Estates and	d Trusts:		
\$0	2,050	\$0 + 15%	\$0
2,050	4,850	\$308 + 25%	2,050
4,850	7,400	\$1,008 + 28%	4,850
7,400	10,050	\$1,722 + 33%	7,400
10,050	_	\$2,596 + 35%	10,050
	ng Separately:		
\$0	7,550	\$0 + 10%	\$0
7,550	30,650	\$755 + 15%	7,550
30,650	61,850	\$4,220 + 25%	30,650
61,850	94,225	\$12,020 + 28%	61,850
94,225	168,275	\$21,085 + 33%	94,225
168,275	_	\$45,522 + 35%	168,275
Head of Ho			
\$0	10,750	\$0 + 10%	\$0
10,750	41,050	\$1,075 + 15%	10,750
41,050	106,000	\$5,620 + 25%	41,050
106,000	171,650	\$21,858 + 28%	106,000
171,650	336,550	\$40,240 + 33%	171,650
336,550	_	\$94,657 + 35%	336,550

Taxable income	Tax on Income	Rate on Excess
\$0	\$0	15%
\$50,000	\$7,500	25%
\$75,000	\$13,750	34%
\$100,000	\$22,250	39%
\$335,000	\$113,900	34%
\$10,000,000	\$3,400,000	35%
\$15,000,000	\$5,150,000	38%
\$18,333,333	\$6,416,667	35%

Personal Exemptions				
		Exemption	Phase-out Range	
Married Filing	2005	\$3,200	\$218,950/341,450	
Jointly	2006	\$3,300	\$225,750/348,250	
Single	2005	\$3,200	\$145,950/268,450	
	2006	\$3,300	\$150,500/273,000	

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Alternative Minim	um Tax:			
	2005	2006		
First	\$175,000	\$175,000	26%	
Amounts over	\$175,000	\$175,000	28%	
	Exemption	Exemption		
Married Filing Jointly	\$58,000	\$45,000		
Single	\$40,250	\$33,750		

Education Incentives

Coverdell Education Savings Accounts (Education IRAs) — Contribution Limit \$2,000

AGI 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 after 12/31/2001 used for qualified higher education expenses are income tax free

Hope and Lifetime Learning Credits

Hope Credit-Up to \$1,650 per student, for first two years of higher education tuition paid Lifetime Learning Credit- Up to 20% of tuition (up to \$2,000) paid; calculated per taxpayer

AGI Phase-outs:	2005	2006
Married Filing Jointly	\$87,000-\$107,000	\$90,000-\$110,000
Others	\$43,000-\$53,000	\$45,000-\$55,000

Exclusion of U.S. Savings Bond Income

AGI Phase-outs:	2005	2006
Married Filing Jointly	\$91,850-\$121,850	\$94,700-\$124,700
Others	\$61,200-\$76,200	\$63,100-\$78,100

Student Loan Interest Deduction-Maximum Deduction \$2,500

AGI Phase-outs:	2005	2006
Married Filing Jointly	\$105,000-\$135,000	\$105,000-\$135,000
Others	\$50,000-\$65,000	\$50,000-\$65,000
Deductibility Period	No time limit	No time limit

Deduction for Higher Education Expenses

Maximum deduction: \$4,000 if Modified AGI is less than the following range: Maximum deduction: \$2,000 if Modified AGI is within the following range: Maximum deduction: \$0 if Modified AGI is above the following range:

▶ Married Filing Jointly: \$130,000-\$160,000

▶ Single: \$65,000-\$80,000

50% Taxable

\$32,000

85% Taxable

\$44,000

▶ All others: \$0

Social Security

Married Filing Jointly

Base Amt. of Mod. AGI causing Soc. Sec. Benefits to be Taxable:

	T 1	T,
Single	\$25,000	\$34,000
Maximum Earnings Before Soc. Sec.	Benefits are	Reduced:
Under full retirement age	2005	2006
(lose \$1 for every \$2)	\$12,000	\$12,480
In the yr of retirement (lose \$1 for every \$3)		
for months prior to full retirement	\$31,800	\$33,240
At full retirement age	No Limit	No Limit

Maximum Compensation Subject to FICA Taxes:

	2000	2006
OASDI (Soc. Sec.) maximum	\$90,000	\$94,200
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

Long Term Care Insurance Max Qualified LTC Promium Eligible for Deduction:

Max Qualified LTC Premium Eligible for Deduction:					
Age	40 or less	41 - 50	51 - 60	61 - 70	Over 70
2005	\$270	\$510	\$1,020	\$2,720	\$3,400
2006	\$280	\$530	\$1,060	\$2 830	\$3 530

Qual. LTC contract per diem limit: \$250 (\$240 in 2005)