Welcome to FWM; I hope you find the course interesting, practical and useful in your personal and professional endeavors. Assignments I will be post the assignments on the class website at http://www.kentlaw.edu/faculty/hchapman/classes/FamilyWealthManagementSp07/.

Class preparation
Read the material and prepare answers to the assigned problems for class discussion. A “hotseat” list will be distributed that lists the order I will call on students.

Grade
The grade is based primarily on a final exam. Class participation will count for about 10% of the grade and will be evaluated by your good-faith attempt to answer the assigned questions and problems.

You have question? I have answers!
I encourage you to ask questions as often as they occur to you; my email box is open 24/7.
CHAPTER 1 INTRODUCTION TO WEALTH AND PERSONAL FINANCE

A. Wealth
Read the preface and 1-8; substitute “reduces its income” for “charges itself” in the text at the bottom of 5 and the top of 6. Do the problems at ¶1,038 on 7 and the exercises on h/o 1.

B. Introduction to Financial Assets and Investing
Read 8-13 and do the problems at ¶ 1,085.

C. Time Value of Money
Read h/o 5-10 and do the problems on h/o 11-12.

D. Historical Perspective on Security Returns
Read 26.

E. Risk and Return
Read 27 through the second paragraph on 28, but ignore the last sentence of the second paragraph on 27. The statistics in the table on 27 are as of 3/26/04. As of 12/20/06, the price/earnings ratios were as follows; write them on table 27 to the right of the numbers in the table: CAT: 12; KO: 22, then in order: 19, 12, 20, 0, 24, 12, 15, 19, 16, and 32 for YHOO.

Do questions 1 and 2 at ¶ 1,195. Answer question 1 by comparing the returns of stocks and bonds. For question 2, consider that a broad portfolio of stocks would have a beta of 1.

F. The Individual Investor
Read 31-34.

G. Applying Financial Principles to Stocks
Common Stock
Read ¶ ¶ 1,310 and 1,320, up to the first full paragraph on 46. Do the problems at ¶ 1,325 and on h/o 13.
Chapter 1 syllabus, continued

Valuing Stocks – Fundamental Analysis
Read ¶ 1,330, but omit the second full paragraph on 48. Do problems 1 and 3 at ¶ 1,335 and the exercise at ¶ 1,336. For the exercise, consider how dividends might be a factor in the answer.

Regarding technical analysis mentioned in the last paragraph on 48, read h/o 15.

Does Fundamental Analysis Work? Read ¶¶ 1,340 and 1350; do the problems at ¶ 1355.

Dilution and Preferred Stock Read ¶¶ 1,360 and 1,370.

H. Mutual Funds
Read 54-63 and h/o 18 after the first paragraph of ¶ 1,420. Do the exercises on those pages. For exercise 1 at ¶ 1,446, a mutual fund with a 1% lower annual fee will earn a 1% higher return per year. Compute the future value of $100,000 at 1% for 30 years to determine the difference in performance. Omit exercise 2 at ¶ 1,446 and substitute the following problem.

Jake buys $125 of Mutual Fund A, which has a 2.1% front-end load. Wendy buys $125 of Mutual Fund B, which has a 4% back-end load. Both mutual funds grow at 9% annually. Which investor’s fund is more valuable in five years? Compute the future value of the net amount Jake each invested; then subtract the back-end load from Wendy’s total.

I. Exchange Traded Funds (ETFs) Read h/o 19-22.

J. Applying Financial Principles to Bonds

Introduction and Credit Risk
Read ¶ 1,220, up to the last sentence in the second paragraph before the formulas (ignore the formulas) and ¶ 1,230. Read 23-27 and do the problems on h/o 28.

Interest Rate Risk and Yield Curve
Read ¶¶ 1,240, 1,250 and the article on h/o 29, published in December 2005. Compare the yield curve on casebook page 40 with the yield curve at the bottom of h/o 27. Do the problem at ¶ 1,245 and problems 1-3 at ¶1,255.

Zero Coupon Bonds
Read ¶ 1,260, do the problems and exercises at ¶ 1,265 and ¶ 1,266 (use the present value calculator).

High-Yield Bonds
Read ¶ 1,270. Compare the yields on the investment grade bonds at the top of h/o 26 to the high yield bonds in the middle of that page. Do problems 1 and 2 at ¶ 1,275; I’ll discuss problem 3.

Tax-exempt Bonds
Read ¶ 1,280. Compare the yields of Treasury bonds on h/o 25, corporate bonds on h/o 26 and tax-exempt bonds on h/o 27. Do the problems at ¶ 1,285 and the exercise at ¶ 1,286. (An investor in the 31% tax bracket keeps only 69% of the interest received from a taxable bond. To determine the stated interest rate of a taxable bond, divide the after-tax yield by .69.)

Callable and Convertible Bonds, Read ¶¶ 1,290 and 1,300.
K. Portfolio Theory
Read pages 64-67 and do the problems and exercises (omit the exercise at ¶ 1,486). The asset allocations of three Vanguard life cycle funds appear on h/o 30. Note how the allocation between stocks and bonds changes as the fund nears the target date.

L. Other Types of Securities and Investment Strategies
Arbitrage and Short-Selling Read ¶¶ 1,480 to 1,500 and h/o 31.

Analysts’ Opinions Read h/o 32-33, published in December 2005 to see how right and wrong analysts can be. Regarding the discussion of Google’s earnings and p/e ratio in the last two paragraphs, the company earned $7.86 over the last 12 months and Google closed at $489.75 on January 19, 2007. What is the stock’s current p/e ratio?

Derivatives (Options)
Read ¶ 1,510 and h/o 34-37. Do the problems and exercises at ¶¶ 1,515, 1,516.

M. Conclusion Read ¶ 1,520.
CHAPTER 2  PROPERTY AND SUCCESSION

A. Overview
Read 74-76.

B. The Probate System
Read 76-91; omit the second paragraph on 82. Do problems 1-4 on h/o 38.

C. Intestate Succession
Read 91 through the second paragraph on 94 and ¶ 2,140 on 97 to page 99. Do problems 2 and 5 on 99-100 and problem 5 on h/o 39.

D. Wills
Read 100-101 and do the problem on 101.

Execution
Read 101-110 (omit ¶ 2,225 on 107) and do problems 6-8 on h/o 39.

Revocation
Read 110-115 and do problem 2 on 114, referring to § 4-7(c) of the Illinois Probate Act.

Interpretation of Wills
Read 115-122 and do problem 1 on 119, referring to § 4-11 of the Illinois Probate Act. Would your answer change if Linda was not required to survive by 30 days?

E. Will Substitutes

Joint Tenancy
Read 123-127; do problem 9 on h/o 39.

Pay-on Death Beneficiary Designations Read 127-129, do the problems on 129.

Revocable Trusts
Read 131-134 and do problems 1 and 3 on 134-135. For problem 1, consider how wills and trusts are revoked and review ¶ 2,250 on 112. For problem 3, review the answer to problem 1 on 119.

F. Marital Property
Read 135-138 and do problem 10 on h/o 40.

G. Trusts

Creation and Transfer of a Beneficiary’s Interest
Read 144-152, but omit the last paragraph on 151. Do the problem on 150.

Successive Beneficial Interests
Read 152 up to last paragraph on 153; 155-157. Just skim the rule against perpetuities, but read the last paragraph on 156.

Fiduciary Duties
Read 157-161, h/o 41, and do the problem on 162. Review ¶ 2,535 on 150 for the problem.

Review Problem
Do problem 11 on h/o 41.
CHAPTER 3 INCOME TAXATION OF THE FAMILY

Several amounts in the chapter have been adjusted for inflation. The 2007 amounts are on h/o 42; I suggest you make these changes in your casebook.

A & B. What is Income
Read 163-170 and h/o 43. Do problems 1 and 3 on 169.

C. Exclusions
Read 170-179 and h/o 45; do problems 1-3 on 179 and the problem on p. 400. One exclusion the casebook does not discuss is the foreign earned income exclusion. If you are out of the country for at least 330 consecutive days, you can exclude up to $82,400 of earned income.

D. Personal Deductions
Standard Deduction: Read 180-182.
Alimony: Read 182-184, h/o 46, and do the problems on 184.
Charitable Contributions: Read 184 up to the first full paragraph on 187; do problems 1-2 on 188.
Interest: Read 189-191; omit the first full paragraph on 190. Do problem 2 on 191.
Taxes and Medical Expenses
Read 192 up to the first full paragraph on 196. Do problems 2 and 3 on 197; refer to cafeteria plans on 175 and h/o 45 (assigned in section C. above) for problem 3.
Casualty Losses: Read 197-199 and problem 1 on h/o 47.

Phaseout of Itemized Deductions
Read the first and third paragraphs on 199. Regarding the last paragraph on 199, itemized deductions are phased out by only 2% of the amount that AGI exceeds the threshold amount in 2006-2007 and 1% in 2008-2009. The phaseout ends in 2010.

E. Personal and Dependent Exemptions
Read the first two paragraphs on 200 and the last six lines of the paragraph before the problems on 203. Read h/o 48-49 and do the handout problems.

F. Personal Credits
Child Credit and Dependent Care Credit
Read 203 through the first full sentence on 206 and h/o 51. Do the problem on 207.
Other credits: Read 207-208.
Credit for Hybrid Vehicles and Energy Saving Home Improvements
Buyers of hybrid vehicles can claim a tax credit of up to $3,000, depending on the model of the car. Taxpayers who install specific energy-efficient products in their home, such as windows, insulation, doors, roofs, and air conditioners, can receive a tax credit of up to $500 through 2007.
G. Business Expenses

Read 208-216, paying particular attention to the 2% Haircut on 210. Do the problems on 211 and problems 1 and 2 on 214.

H. Depreciation and Depletion

Read 216 to ¶ 3,440 on 218 and ¶ 3,460 on 220. Skim h/o 52-53; you will not have to calculate depreciation. Read h/o 54 and do problems 1 and 3 on 220-221. In problem 1, why is Karen permitted to deduct depreciation if the townhouse will appreciate in value over the years?

I. Basis

Read 221 (bottom) -226; omit the last two full paragraphs on 223 and the last paragraph on 224. Do the problems on 226-227. The rules for property acquired by gift for problem 2 and the solutions to the problem are on h/o 55.

J. Sales and Dispositions of Property

Read 227-231; read only the first seven lines of the last paragraph on 228 and omit the last two paragraphs on 230. Do problem 3 on h/o 47. Do problems 1 and 2 on 229 considering the following information.

In problem 1, Uncle’s bequest to State University is a bequest of a specified dollar amount, which is a pecuniary bequest. As pointed out at the top of 228, if a dollar bequest is satisfied with property that has appreciated since the date of death, the estate must recognize the gain. Assume State University told you that it does not want to stock, but wants the bequest in cash, you would have to sell the stock and the estate would have to recognize the gain. The estate has the same result if it distributes the stock to State U instead of cash.

In problem 2, the bequest to Sally was not a specific dollar amount, but a bequest of part of the residuary estate (the amount that remains after all specific bequests have been paid).

K. Losses

Read 232-236, but omit vacation homes on 235. Do problem 1 on 236.

L. Capital Gains and Losses

Read 237-239, up to ¶ 3,700, and h/o 56. The preferential rates discussed on page 238 have been extended through 2010. Do problem 1 on 241.

Read the last full paragraph on 209, skim 240, read h/o 57, look at problem 3 on 241 and the solution on h/o 58. I will discuss it in class.
M. Taxpaying Entities
Read 241-246. See h/o 59 for an example of the marriage penalty discussed on 242. The income tax rate for trusts discussed at the bottom of 244 are on h/o 44.

N. Assignment of Income
Read 246-247 and do the problems on 247-248.

O. Taxation of Investments
Read 248-256. Ignore the computation of the exclusion ratio at the top of 249. To calculate the exclusion ratio, divide the cost of the annuity by the number of annual payments that will be made. In Bella’s case on 249, she will exclude $10,000 from each $12,000 annual payment ($100,000 cost of the annuity ÷ 10 year life expectancy). Ignore the computation in the first paragraph on page 250; the author incorrectly used a 20% capital gain rate instead of 15%. Review ¶ 1,260 on page 40-41.

Do the problems on 256. For problem 2, only consider the tax consequences of your investments. Does it make a difference if are selecting mutual funds for your personal account or your IRA or 401(k)?

P. Accounting
Read 257-258 and do problem 1 on 261.

Q. Alternative Minimum Tax
Read 262-263; ignore the computation, but note the deductions listed in the third paragraph that are not deductible for AMT purposes. Read h/o 60-61.
CHAPTER 4 GIFT & ESTATE TAX

Current Rates
In 2007, the annual exclusion is $12,000 (page 266, 293, 294, and other pages). The estate tax unified credit is $2 million (and is scheduled to increase to $3.5 million in 2009). The gift tax unified credit is $1 million and is not scheduled to increase. The maximum gift and estate tax rate is now 45%; change the 49% and 50% rates at the top of 268 to 45%.

A. OVERVIEW
Read 264 to the middle of 270; second full paragraph on 272 to 277.

B. THE GIFT TAX
What is a Gift? Read ¶ 4,100 on 277 through the second sentence of the first full paragraph on 279.

What is Property? Read the first two paragraphs on 280.

Completed Gifts: Read the first paragraph of ¶ 4,110 on 280-281 and the full paragraph at the middle of 284. Do problem 1 on h/o 62.

Valuation: Read 285.

Income Interests and Remainders: Read 286 through the first full paragraph on 287; do problem 2 on h/o 62.

Closely held business interests: Read the first full paragraph on 288.

Gift Subject to a Condition: If a gift is subject to a condition, the value of the condition is subtracted from the FMV of the gift to determine the “net” gift for gift tax purposes. Do problem 3 on h/o 62.

Annual Exclusion and Gifts to Children: Read h/o 63-64; ¶ 4,145 on 292 - 296; do problem 4 on 296. Determine the amount of annual exclusion the donors are entitled to in each situation in problem 2 on h/o 62.

Education and Medical Expense Exclusion: Read ¶ 4,160 on 297 and do problem 4 on h/o 62.

C. THE ESTATE TAX
Gross Estate: Read 299 to 300 and do problem 2 on 301; assume the current interest rate is 6%.

Joint Tenancies: Read 301 to 303, but in the 2nd full paragraph on page 302, read only the first eight lines. Read problem 1 on 303 and answer the following questions:

(a) What were the gift tax consequences when Christine created the joint tenancy?
(b) How much is included in Alex’s estate when he dies?
(c) How much is included in Christine’s estate when she dies?
(d) Answer the same questions, but assume Alex was her husband, not her son.

Survivor Annuities: The gross estate includes the benefits payable to the survivors under employee benefit plans, such as a 401(k) and IRA’s.

Life Insurance: Read the first paragraph on 304 and the second and third paragraphs on 305.

Revocable Transfers: Read the last paragraph on 307 that continues on 308.
Transfers with retained life interest: Read from the bottom of 309 to the middle of 310.

Transfers within three years of death: Read ¶ 4,300 on 314 and do problem 5 on h/o 62.

The Code sections cited in the first sentence contain the following provisions that will cause property to be included in the grantor’s estate when he dies: § 2036 - transfers with retained life estates; § 2037 - transfers taking effect at death; § 2038 - revocable transfers or retained power to affect the beneficial enjoyment; § 2042 - retained incidents of ownership in life insurance.

Powers of appointment: Read ¶ 4,310 in 315 through the second full paragraph on 316; read the last paragraph on 317.

Deductions and Credits: Read the first two paragraphs on 318. An estate tax deduction is allowed for payments estate tax to states. The Illinois estate tax exempts the first $2 million of an estate; the estate tax rates range from 8% to 16% on estates over $10 million.

Marital Deduction and Unified Credit: Read the following: h/o 65-67; ¶ 4,340 on 319 through the first seven lines of the third paragraph on 320; 321-322; ¶ 4,400 on 328.

Do problem 6 on h/o 62 and the problem on 329. Read h/o 68-69.

Charitable Deduction: Read the first paragraph of ¶ 4,350 on 323.

D. THE GENERATION-SKIPPING TRANSFER TAX

Skim 330 to the first full paragraph on 331 and the last full paragraph on 334.

E. INCOME TAXATION OF TRUSTS:

Skim 335-337; the 2007 income tax rates on estates and trusts are on h/o 44.
CHAPTER 5  HOUSING

A. Introduction; Costs and Benefits of Home Ownership

Read 338-341 and h/o 69-70.

B. Purchasing a Home

Read 342-350 (omit ¶ 5,070 on 344-346); h/o 71-76; do the problems on 349.
For problem 2, how much will Otis receive from each purchaser? Assuming Otis will receive more if he sells to #1, are there any reasons he should consider accepting the offer from #2?

C. Mortgage Financing

1. Read 351-355; h/o 77-78; 356-358; skim from the bottom of 358-360; on 360, 4 lines from the bottom, the 2007 amount is $417,000. See h/o 79-80.

2. Read 361-366 and do the problem on 366. Amortize the ARM over a 30-year, not a 20-year period. Use the calculator at http://www.dinkytown.net/java/MortgageApr.html to determine the APR and the monthly payments for each loan. Enter zeros in the loan origination field and other costs field.

3. Read 367-370 (omit the first two paragraphs on 369) and h/o 81. Do the problem on 370; calculate Barry’s mortgage debt to income ratio and total debt to income ratio.

4. Read 371-376. In the second to the last paragraph on 374, see h/o 82-85 instead of the HUD-1 in Appendix E.

D. Taking Title to Property

Read 376-379, up to ¶ 3,470.

E. Transfers of Mortgaged Property

Read 384-387.

F. Tax Considerations

(1) Deductibility of mortgage interest: read ¶ 5,610 on 391.
(2) Points: read ¶ 5,640 on 395-396, h/o 86, and do the problem on 396.
(3) Property taxes: read ¶ 5,680 on 397 and h/o 87; do problems 2 and 3 on 398-399.
(4) Cashing out home equity and sale of home: read 399-400.
(5) Home office: read ¶ 5,820 on 407 to the top of 409.
(6) Qualified Personal Residence Trusts (QPRT): read the last paragraph on 325 that continues on 326.
CHAPTER 6  MEETING THE COSTS OF HIGHER EDUCATION

A. **Introduction**, Read 415-418 and h/o 88.

Click [http://www.collegezone.com/media/agenda0929_item7.pdf](http://www.collegezone.com/media/agenda0929_item7.pdf). Print page 9 and label it h/o 93; print page 11 and label it h/o 88.

B. **Tax Sheltered Savings**

1. **Traditional Non-Tax Sheltered Savings**: Read 418 to top of 420.

2. **EE U.S. Savings Bonds**: Read the first two paragraphs of ¶ 6,030 on 420; A-1 on h/o 89.

3. **§ 529 Qualified Tuition Plans**
   Read the first paragraph of ¶ 6,040 on 423 and the last paragraph on 435 to 436. Read A-2 on h/o 89 and h/o 93-95. Do problems 1 and 3 on 437; ignore the estate tax consequences to Grandpa in problem 1.

4. **Coverdell Education Savings Accounts**: Read A-3 on h/o 90.

C. **The Hope Scholarship and Lifetime Learning Credits (Code § 25A)**

Read the first paragraph of ¶ 6,100 on 441, the first full paragraph on 443, and the last paragraph on 445. Read B-1 and 2 h/o 90 and do problems 1-3 on 446.

D. **Deductions for Education Expenses**

1. **Section 222**
   Read C-1 on h/o 91 and 450-451. The § 25A phaseout amounts on 450 have been increased to $47-$57,000 on a single return and $94-$114,000 on a joint return. Do problems 1 and 2 on 451; I will discuss problem 3. For problem 2, § 135 is the EE savings bond exclusion, § 529 authorizes 529 plans, and § 530 is the Coverdell exclusion.

2. **Education Costs as Business Expenses**: Read C-2 h/o 91 and do problems 1 and 2 on 454-455.

3. **Interest on Educational Loans**: Read C-3 on h/o 91 and the full paragraph on 457.

E. **Exclusions of Educational Benefits from Income**

1. **Scholarships**: Read D-1 on h/o 91 and the first full paragraph on 460.

2. **Employer Provided Education Benefits, § 127**: Read D-2 on h/o 91 and ¶ 6,180 on 462-3.

F. **Gifts**

Read 464-465 (the annual exclusion on page 465 is $12,000) and do the problem on 465.

G. **Federal Loans and Grants**: Skim 466-468; read 469-470 and h/o 95A and 95B. Change 14 to 18 in the 10th line on 469.

I. **Further Thoughts**: Read 477-479 and h/o 96-97.
CHAPTER 7 LIFE & DISABILITY INSURANCE

A. Introduction

Read 480-483; ¶ 7,005; the first three paragraphs of ¶ 7,015; ¶ 7025.
(If you own a car, read the problem on 485.)

Group Life Insurance: 490.

B. Life Insurance

1. Reasons for Purchasing Life Insurance

Read 490-494; do problem 1 on 494.

2. Types of Life Insurance

Read 494 to last paragraph on 500; 3rd full paragraph on 502; 505-506; h/o 98-106. Do the problems on 501, 505 and 507.


Read 508-510 and do problem 1 on 511. In the problem, consider what the insurance company might have done with the cash surrender value when it stopped receiving premiums.

4. Interests Protected

Read 512-528, but omit from the middle of 518 to the 2nd full paragraph on 520. Read the problem on 516 and consider whether the insurance company can argue that Steve did not have an insurable interest even though Albert took out the policy on himself and named Steve as the beneficiary. Do problem 2 on 523.

5. Tax Consequences of Life Insurance

Read 530 through the middle of 537, but omit the following paragraphs: 7,170, 7,180, and 7,195. Read h/o 107 at ¶ 7,190 and do the problems on 531 and 533.

6. Buying Life Insurance

Read 539 to the middle of 540; ¶ 7,235 and ¶ 7,245. Read the problem on 544 and the solution on h/o 108-109.

C. Disability Insurance


Read the problem on 482 and the solution on h/o 110.
CHAPTER 8  RETIREMENT PLANNING

A. **Introduction**  Read 565-569.


   Compute your life expectancy, using the following calculators. Assuming the calculators give you different results, what accounts for the differences?  
   - [http://gosset.wharton.upenn.edu/mortality/perl/CalcForm.html](http://gosset.wharton.upenn.edu/mortality/perl/CalcForm.html)

C. **Social Security Benefits**

   Read 579-580, h/o 111; bottom of 582 through 2nd paragraph of 583; 584; bottom of 586-587. The 2007 wage base (at the bottom of 579) is $97,500.

D. **Tax-Sheltered Retirement Savings Vehicles**

   1. **Benefits of Savings in Tax-Sheltered Retirement Plans**
      
      Read 588 through the 3rd full paragraph on 589; 591 below the table through the first paragraph on 594; 3rd full paragraph on 595 to the middle of 596.

   2. **Defined Contribution Plans**
      
      Read h/o 112 and 602 (omit the first full paragraph). The 2007 contribution amounts are on h/o 112.

   3. **Individual Retirement Accounts (IRAs)**
      
      Read 616 to the top of 617; 618 to the top of 621; h/o 113 that updates contribution amounts and phaseouts for 2007. There is a wealth of resources available on the internet to help savers determine whether they should use a traditional IRA or a Roth. See the calculator at [http://www.banksite.com/calc/rothira](http://www.banksite.com/calc/rothira).

E. **Sources and Information About Plans and Benefits**  Skim 629-631.

F. **Retirement Plans and Marital Dissolution**  Read from the bottom of 631 to 633.

G. **Investing for Retirement**

   Read 634-637 and ¶ 8,620 on 639.

H. **Distributions From Retirement Plans**

   A defined benefit plan pays the employee a specified amount over a period of years after retirement, usually for life. The defined contribution plan benefit is the amount of the fund at retirement. Amounts withdrawn from the plan are taxed as ordinary income. Read the top half of 645; 2nd and 3rd paragraphs on 647, 3rd paragraphs on 649; bottom of 650 to 656. Do the problem on 653.

I. **Investing and Drawing Down Assets at Retirement**

CHAPTER 9  ELDER LAW

A. **Overview**: 666-667.

B. **Planning for Incapacity**
   1. **Legal Capacity**: Read 667-673; do problem 2 on 669 and problem 2 on 673.
   2. **Advanced Medical Directives**
      Read 673-679; do problems 1 and 3 on 679.
      Read h/o 119-120; review h/o 121-123.
   3. **Financial Arrangements**
      a. **Joint Tenancy**: Read 680-682.
      b. **Durable Power of Attorney**: Read 682-684, do problems 1 and 2 on 685, review h/o 124-126.
      c. **Living Trusts**: Read 685-686 and do the problem on 686.

C. **Medicare**: Read 687; 697-699; 704-705; h/o 127.

D. **Long-term Care Insurance**: Read 705-711 and ¶ 9,590 on 715.
   On 715, the amounts deductible in 2007 are:
<table>
<thead>
<tr>
<th>Age</th>
<th>Maximum Deduction</th>
</tr>
</thead>
<tbody>
<tr>
<td>40 or less</td>
<td>$290</td>
</tr>
<tr>
<td>over 40, but not over 50</td>
<td>$550</td>
</tr>
<tr>
<td>over 50, but not over 60</td>
<td>$1,110</td>
</tr>
<tr>
<td>over 60, but not over 70</td>
<td>$2,950</td>
</tr>
<tr>
<td>older than 70</td>
<td>$3,680</td>
</tr>
</tbody>
</table>

E. **Medicaid**: Read ¶ 9,700 on 721 and ¶ 9,770 on 729.