

CCH CompleteTax Survey Findings

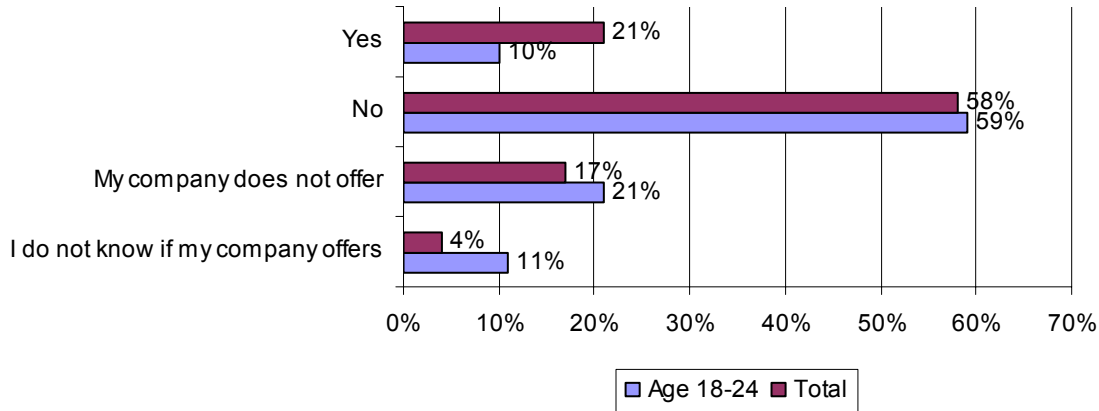
The *CCH CompleteTax* survey asked a series of questions to determine what steps taxpayers are taking to be tax-savvy consumers, and to determine if employers are helping them in this pursuit. The survey, which was commissioned by *CCH CompleteTax* and conducted by Harris Interactive[®], reflects responses of 1,290 U.S. adult taxpayers who were employed more than 20 hours per week last year and are filing a federal tax return for 2006. *CompleteTax* (www.CompleteTax.com), is an online tax preparation and e-filing service for individual taxpayers developed by CCH, a Wolters Kluwer business and a leading provider of tax and accounting law information, software and services.

Following are questions asked in the survey and the specific responses chosen. A news release providing analysis also is available.

Detailed Findings

Responses shaded in pale blue and italicized are a subset of the response directly above and provided to offer additional clarity.

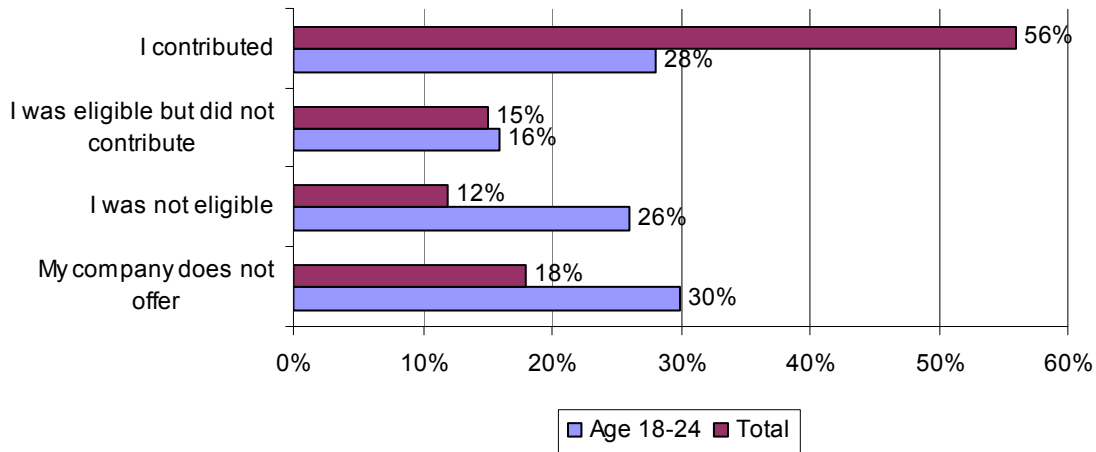
A medical or health care Flexible Spending Account allows you to set aside pre-tax dollars to pay for items such as insurance co-pays, uninsured treatments and some over-the-counter drug purchases. During 2006, did you participate in a medical Flexible Spending Account (or FSA) at work?



	Total (n=1,290)	Age 18-24 (n=120)	Age 25-34 (n=296)	Age 35-44 (n=311)	Age 45-54 (n=317)	Age 55+ (n=246)
Yes, I participated in a medical FSA	21%	10%	27%	22%	23%	15%
<i>Yes, I put in maximum allowed</i>	7%	4%	8%	8%	5%	7%
<i>Yes, to some extent</i>	14%	6%	19%	14%	18%	8%
No	58%	59%	57%	60%	55%	60%
My company does not offer a medical FSA	17%	21%	11%	16%	18%	25%
I do not know if my company offers a medical FSA	4%	11%	6%	2%	4%	1%

- Only about 2 out of 10 employees take advantage of medical FSAs.
- 18-24 year-olds are the least likely to participate in a medical FSA and are significantly more likely not to know if their company even offers an FSA compared to most older taxpayers surveyed.
- Those ages 25-34 are more likely than taxpayers in other age brackets to participate in a medical FSA and to contribute to the maximum allowed. This may possibly be attributable to being in prime child-rearing years.

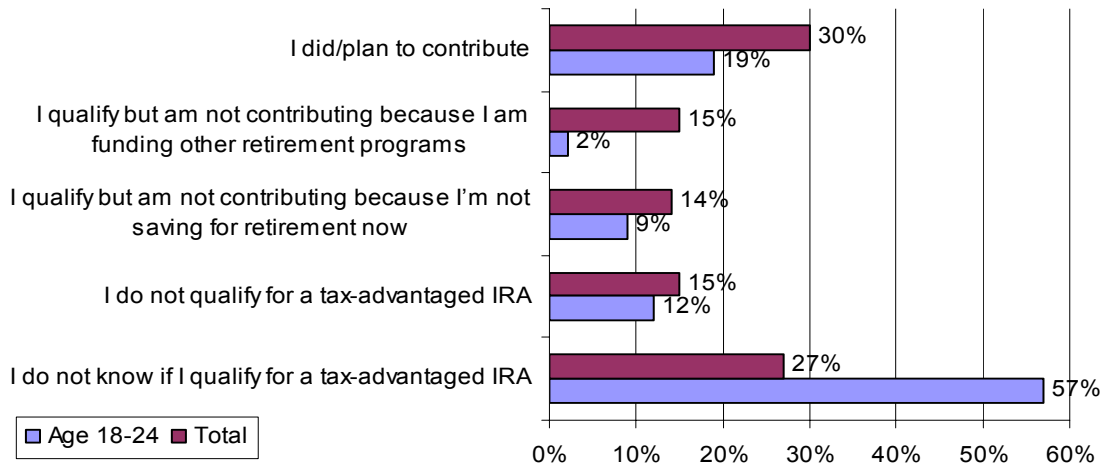
For 2006, the maximum amount an individual under the age of 50 could contribute to their 401(k), 457 or 403(b) plan or a SEP-IRA plan, if self employed, was \$15,000. To what extent did you contribute to one of these plans in 2006?



	Total	Age 18-24	Age 25-34	Age 35-44	Age 45-54	Age 55+
I contributed...	56%	28%	59%	61%	57%	57%
<i>To the full extent allowed</i>	14%	4%	10%	13%	18%	17%
<i>At least enough to make my employer make the maximum allowable contribution per the plan</i>	23%	16%	27%	30%	19%	19%
<i>Neither fully nor to the extent needed for my employer to make the maximum allowable contribution per plan</i>	19%	8%	22%	17%	19%	21%
I was eligible but did not contribute to any of these plans	15%	16%	16%	15%	16%	11%
I was not eligible to contribute to any of these plans	12%	26%	12%	7%	9%	17%
My company does not offer any of these plans	18%	30%	13%	17%	19%	14%

- Only 14% contribute fully to their retirement plan and less than 1 in 4 to the extent required for their employer to contribute the maximum amount under their plan. Not contributing at least to the employer maximum, generally means that the employee is leaving “free” retirement money on the table.
- 18-24 year-olds are significantly less likely to contribute to their work retirement plans. Only 16% did so to the extent required to get their employer to contribute the maximum amount.
- Those ages 35-44 are a bit more likely than taxpayers in other age brackets to contribute overall and to contribute at least to the extent required to get their employer to contribute the maximum amount.

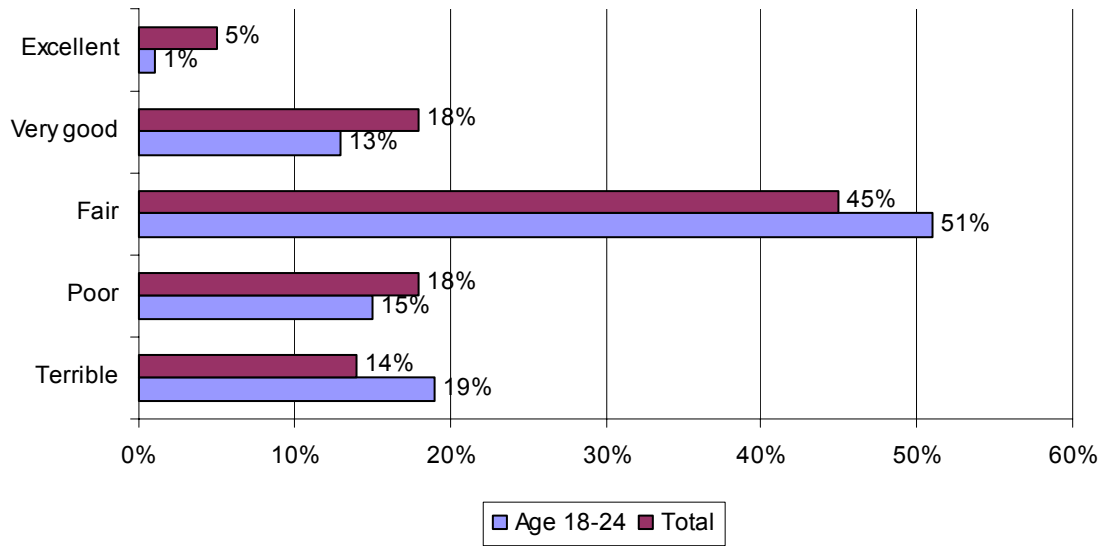
For 2006, the maximum amount an individual under the age of 50 could contribute to a tax-advantaged traditional or Roth IRA is \$4,000. To what extent did you or do you still plan to contribute to a 2006 IRA?



	Total	Age 18-24	Age 25-34	Age 35-44	Age 45-54	Age 55+
I did/plan to contribute...	30%	19%	29%	33%	32%	27%
<i>To the full extent allowed</i>	12%	7%	10%	12%	16%	12%
<i>Not to the full amount allowed</i>	17%	13%	19%	20%	16%	15%
I qualify but am not contributing...	29%	11%	32%	30%	35%	22%
<i>Because I am funding other retirement programs, for example, a 401(k), and cannot contribute additional funds to an IRA</i>	15%	2%	18%	11%	22%	14%
<i>Because I am not saving for retirement at this time</i>	14%	9%	14%	18%	14%	8%
I do not qualify for a tax-advantaged IRA	15%	12%	9%	9%	10%	38%
I do not know if I qualify for a tax-advantaged IRA	27%	57%	31%	28%	23%	14%

- Nearly 1 in 3 taxpayers have or plan to contribute to a tax-advantaged IRA for 2006. However, nearly as many do not know whether or not they qualify to participate. Those most likely to be unaware of their eligibility are young taxpayers, 18-24 years of age, with more than one half unaware of the requirements.
- Those least likely to contribute to a tax-advantaged IRA are ages 18-24.
- 14% of taxpayers are not currently saving for retirement, with those 35-44 years of age less likely to be contributing than taxpayers in other age brackets, possibly due to competing savings requirements, such as saving for a child's education.
- Those ages 45-54 are more likely than taxpayers in other age brackets to report they are not contributing to a tax-advantaged IRA because they are funding other retirement programs. Company retirement plans generally allow for greater savings with fewer restrictions, and taxpayers generally are wise to participate in these plans at least to the extent required to have their employers contribute the maximum amount under the plan before funding other retirement plans, like IRAs.

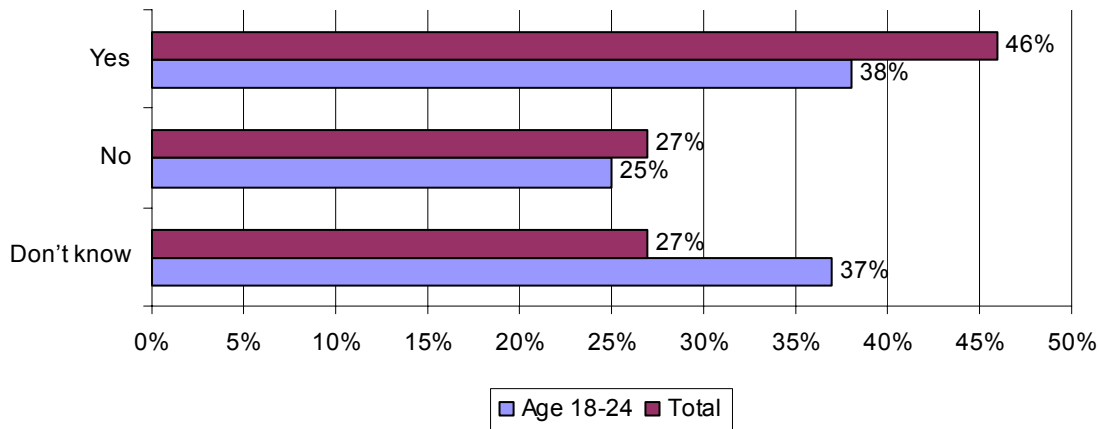
How would you rate the tax-advantaged planning support offered by your employer for such things as information on retirement planning or college saving plans?



	Total	Age 18-24	Age 25-34	Age 35-44	Age 45-54	Age 55+
Excellent/Very good	23%	15%	26%	26%	22%	22%
<i>Excellent</i>	5%	1%	5%	5%	5%	6%
<i>Very good</i>	18%	13%	21%	21%	17%	16%
Fair	45%	51%	48%	41%	43%	46%
Terrible/Poor	32%	35%	26%	33%	35%	32%
<i>Poor</i>	18%	15%	13%	24%	17%	20%
<i>Terrible</i>	14%	19%	14%	9%	18%	13%

- Taxpayers overall are most likely to rate their employer-provided information as fair. Nearly one-fourth report their organization’s support is excellent or very good. However, one-third rate their employer’s information as terrible or poor.
- Those 18-24 years of age are most likely to rate their employer’s support as terrible with nearly 1 in 5 doing so. Further, only 1% of 18-24 year olds rated their employer’s support as excellent. This may indicate that individuals in this age group need additional support and information delivered in the means most receptive to them.

President Bush has proposed a flat, standard deduction for health insurance. For individuals, the deduction would be \$7,500 and for a family \$15,000. Those paying less than this amount for health insurance would still get the full amount, thus providing a tax break, while those paying more for health insurance would continue to be taxed on that amount. From a tax-savings perspective, do you think the proposed plan is good for you?



	Total	Age 18-24	Age 25-34	Age 35-44	Age 45-54	Age 55+
Yes	46%	38%	49%	48%	46%	42%
No	27%	25%	25%	23%	27%	37%
Don't know	27%	37%	27%	29%	27%	21%

- Nearly one-half of individuals believe that a standard deduction would provide a tax-savings advantage for them. However, more than one-fourth are not certain how the proposal would impact them from a tax-savings standpoint, indicating taxpayers may need to do more to keep themselves informed.
- Nearly one in four young adults ages 18-24 are uncertain compared to 21% of taxpayers 55 years old and older.
- Older taxpayers also are more likely to indicate that the standard deduction for health insurance would not benefit them.

Survey Methodology

This survey was conducted online within the United States by Harris Interactive on behalf of *CCH CompleteTax* from February 5-7, 2007, among 2,289 adults (18 years of age and over), of whom 1,290 were employed at least part time (more than 20 hours per week) during 2006 and plan to file a 2006 federal income tax return (referred to as "taxpayers" in these findings). Figures for region, age within gender, education, household income and race/ethnicity were weighted where necessary to bring them into line with their actual proportions in the population. Propensity score weighting was also used to adjust for respondents' propensity to be online.

With a pure probability sample of 2,289 one could say with a ninety-five percent probability that the overall results would have a sampling error of +/- 3 percentage points. Sampling error for data based on sub-samples would be higher and would vary. However, that does not take other sources of error into account. This online survey is not based on a probability sample and therefore no theoretical sampling error can be calculated.

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