When it comes to inflation, 2009 was a good news/bad news kind of year – with a few mixed messages thrown in for good measure.

According to one widely used inflation measurement, the Department of Labor's Consumer Price Index for urban consumers (CPI-U), the rate of inflation actually fell for the quarter ending September 30, 2009, compared to the same period a year earlier. Remember, gasoline prices, which spiked during 2008 and impacted numerous other expenses, subsided considerably in 2009.

Those whose bills have continued to rise probably would debate whether it was actually cheaper to live in 2009 than in 2008. Regardless, this is an important statistic because the IRS uses the third-quarter CPI-U to determine whether dozens of tax-related numbers such as income tax bracket limits and maximum retirement savings plan contributions will stay the same or increase in the following tax year.

The good news is that although many savers feared that retirement plan contribution limits might actually drop for the first time ever, the IRS determined that provisions in the Social Security Act prohibit such reductions. The bad news, for those who would have liked to increase such contributions next year, is that they cannot do so.

Even worse, because inflation was so low, for the first time in decades, Social Security beneficiaries will not receive a cost-of-living benefit increase in 2010, even though Medicare Part D (prescription drug coverage) premiums are expected to rise.

On the mixed news front, the IRS left unchanged most tax deductions that are subject to annual inflation adjustments, although a few did creep up slightly. Here's a summary of some common tax benchmarks:

- Federal personal tax exemptions remain constant at $3,650 per individual.
- The standard tax deduction for heads of households increases by just $50 to $8,400. It remains unchanged at $11,400 for married couples filing jointly and $5,700 for singles and those who are married but file separately.
- Various tax bracket thresholds will increase slightly – for example, the threshold between the 15 percent and 25 percent tax brackets for married couples filing jointly increases by $100 to $68,000.
- The annual gift tax exclusion remains unchanged at $13,000.
- The Social Security taxable wage base (upper income limit subject to Social Security taxes) remains unchanged at $106,800.
- The maximum annual contribution to 401(k), 403(b) and 457 plans remains unchanged at $16,500 (plus an additional $5,500 for those over age 50). The annual limit for combined employee and employer contributions to such plans remains at $49,000.
- The maximum contribution to a regular or Roth IRA remains unchanged at $5,000 (those aged 50 and older can contribute an additional $1,000).
- Married couples filing jointly will see the amount they can contribute to a Roth IRA gradually phased out if their adjusted gross income exceeds $167,000 – a $1,000 increase over

2009's level; the phase-out limitation floor for others remains unchanged at $105,000.

- Check www.irs.gov for other 2010 tax changes.

Bottom line: In 2010, inflation pays a very minor role in terms of tax threshold changes compared to previous years.

Jason Alderman directs Visas financial education programs. Sign up for his free monthly e-Newsletter at www.practicalmoneyskills.com/newsletter.