

Details of Salaries and USD Conversion Explanation
Tax Year 2006 Page 1 of 2

A) Benjamin's Salaries:

1. From March thru December 2006 I was employed as Sales Manager by MaxcoTema Exports LTD. Until March I was unemployed.
2. MaxcoTema Exports Is not an Israeli company. It is a Cyprus company based in London. My salaries were paid in Euro.
3. In total I was paid in 2006 the sum of 8,000 Euro (please see employers' salaries statement, document #XX I have highlighted the relevant sum in green).
4. This was equivalent to 43,833 ILS (Please see my Israeli tax return for 2006, document #XX I highlighted my salary in green). The conversion from Euro to ILS is specified on page 2 here.
5. For my 1040 I converted this sum to USD. The conversion method I used is detailed on page 2. After conversion to USD, my total salary for 2006 in US Dollars was **\$10,001**

B) Ronit's Salaries:

1. In 2006, Ronit was employed as a teacher by the Israeli Ministry of education (Two different branches)
2. Her salaries summed **37,152** ILS (Please see her translated employers' salary statements ("form 106"), documents #XX and #XX. Please also see our Israeli tax return for 2006, document #XX. I have highlighted her salaries in pink)
3. For my 1040 I converted this sum to USD. The conversion method I used is detailed on page 2. After conversion to USD, her total salary for 2006 in US Dollars was **\$10,355**

C) Our Joint Income

1. The joint income, stated on the 1040, is the summation of both our salaries listed above.
2. The calculation: \$10,001 + \$ 10,355 = **\$20,356**

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Explanation of Conversion to USD.

Benjamin's Salaries Conversion

- A) Each time I received a salary, for the Israeli tax authorities, I have converted the Euro value into ILS, based on the representative exchange rate of the Euro published by the Israel Central Bank.
- B) The salaries in Euro, the payment dates, the Euro/ILS rates, and the ILS equivalents, are shown in the first 4 columns of the table below .
- C) In 2010, to prepare my 1040 for 2006, I used the ILS values, and converted them into USD based on the representative exchange rate of ILS to USD published by the Israel Central Bank for those dates.
- D) The exchange rate I used to convert from ILS to USD, and the resulting USD value of my salaries are shown in the last 2 columns of the table.

Salary (Euro)	Date (M/D/Y)	Euro/ILS Exchange Rate	Salary in ILS	ILS/USD Exchange Rate	Salary in USD
€ 820.00	4/15/2006	5.62	₪4,608.40	4.587	\$1,004.67
€ 880.00	5/15/2006	5.09	₪4,479.20	4.459	\$1,004.53
€ 800.00	6/15/2006	5.59	₪4,472.00	4.46	\$1,002.69
€ 790.00	7/14/2006	5.58	₪4,408.20	4.521	\$975.05
€ 780.00	8/22/2006	5.59	₪4,360.20	4.357	\$1,000.73
€ 800.00	9/13/2006	5.46	₪4,368.00	4.375	\$998.40
€ 800.00	10/17/2006	5.33	₪4,264.00	4.265	\$999.77
€ 1,600.00	11/24/2006	5.541	₪8,865.60	4.313	\$2,055.55
€ 730.00	12/17/2006	5.49	₪4,007.70	4.176	\$959.70
€ 8,000.00			₪43,833.30		\$10,001.09

Ronit's Salaries Conversion

- A) As mentioned above, Ronit's salaries for the year 2006 totaled **37,152 ILS**.
- B) For my 1040 I converted this sum into USD, by using the average USD/ILS exchange rate for the year 2006, as published by the Israel Central Bank which was **3.5878**.
(reference : <http://www.bankisrael.gov.il/deptdata/mth/average/averg08e.htm>)
- C) Calculation of conversion of her 37,152 ILS to USD:

$$37,152 / 3.5878 = \$10,355$$

Details of Salaries and USD Conversion Explanation
Tax Year 2007 Page 1 of 2

A) Benjamin's Income:

1. In 2007 I was employed as Sales Manager by MaxcoTema Exports LTD. From September to December 2007 I was unemployed.
2. MaxcoTema Exports Is not an Israeli company. It is a Cyprus company based in London. My salaries were paid in Euro.
3. In total I was paid in 2007 the sum of 21,100 Euro (please see my employers' salaries statement, document #XX).
4. This was equivalent to 118,116 ILS (Please see my Israeli tax return for 2007, document #XX I have highlighted the relevant sum in green). The conversion from Euro to ILS is specified on page 2
5. For my 1040 I converted this sum to USD. The conversion method I used is detailed on page 2. After conversion to USD, my total salary for 2007 in US Dollars was **\$28,960**

B) Ronit's Salaries:

1. In 2007 Ronit was employed as a teacher by the Israeli Ministry of Education
2. Her salaries summed **73,558** ILS (Please see her translated employers' salary statements ("Form 106"), document #XX, and also our Israeli tax return for 2007, document #XX. I have highlighted her salaries in pink)
3. For my 1040 I converted this sum to USD. The conversion method I used is detailed on page 2. After conversion to USD, her total salary for 2007 in US Dollars was **\$17,905**

C) Our Joint Income

1. The joint income, stated on the 1040, is the summation of both our salaries listed above.
2. The calculation: $\$28,960 + \$17,905 = \mathbf{\$46,865}$

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Explanation of Conversion to USD.

Benjamin's Salaries Conversion

- A) Each time I received a salary, for the Israeli tax authorities, I have converted the Euro value into ILS, based on the representative exchange rate of the Euro published by the Israel Central Bank.
- B) The salaries in Euro, the payment dates, the Euro/ILS rates, and the ILS equivalents, are shown in the first 4 columns of the table below.
- C) In 2010, to prepare my 1040 for 2007, I used the ILS values, and converted them into USD based on the representative exchange rate of the USD published by the Israel Central Bank for those dates.
- D) The exchange rate I used to convert from ILS to USD, and the resulting USD value of my salaries are shown in the last 2 columns of the table.

<i>Salary (Euro)</i>	<i>Date (M/D/Y)</i>	<i>Euro/ILS Exchange Rate</i>	<i>Salary in ILS</i>	<i>ILS/USD Exchange Rate</i>	<i>Salary in USD</i>
€ 800.00	1/18/2007	5.281	₪4,224.80	4.222	\$1,000.66
€ 1,600.00	3/16/2007	5.478	₪8,764.80	4.21	\$2,081.90
€ 2,200.00	4/24/2007	5.461	₪12,014.20	4.06	\$2,959.16
€ 2,200.00	5/13/2007	5.363	₪11,798.60	3.97	\$2,971.94
€ 2,200.00	6/11/2007	5.589	₪12,295.80	4.19	\$2,934.56
€ 2,200.00	7/4/2007	5.758	₪12,667.60	4.18	\$3,030.53
€ 2,200.00	8/21/2007	5.626	₪12,377.20	4.2	\$2,946.95
€ 1,100.00	9/13/2007	5.665	₪6,231.50	4.1	\$1,519.88
€ 2,200.00	10/21/2007	5.71	₪12,562.00	4.02	\$3,124.88
€ 3,300.00	11/13/2007	5.72	₪18,876.00	3.93	\$4,803.05
€ 1,100.00	12/16/2007	5.73	₪6,303.00	3.971	\$1,587.26
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€ 21,100.00			₪118,115.50		\$28,960.77

Ronit's Salaries Conversion

- A) As mentioned, Ronit earned in 2007 **73,558** ILS.
- B) For my 1040 I converted this sum into USD, by using the average USD/ILS exchange rate for the year 2007, as published by the Israel Central Bank, which was 4.1081
(reference : <http://www.bankisrael.gov.il/deptdata/mth/average/averg08e.htm>)
- C) To convert her 51,081 ILS to USD:
 $73,558 / 4.1081 = \$17,905.60$

Details of Salaries and USD Conversion Explanation
Tax Year 2008 Page 1 of 2

A) Benjamin's Income:

1. From January 2008 thru August 2008 I was employed as Sales Manager by MaxcoTema Exports LTD. From September to December 2008 I was unemployed.
2. MaxcoTema Exports Is not an Israeli company. It is a Cyprus company based in London. My salaries were paid in Euro.
3. In total I was paid in 2008 the sum of 16,680 Euro (please see my employers' salaries statement, document #XX I have highlighted the relevant sum in green).
4. This was equivalent to 90,423 ILS (Please see my Israeli tax return for 2008, document #XX). The conversion from Euro to ILS is specified on page 2
5. For my 1040 I converted this sum to USD. The conversion method I used is detailed on page 2. After conversion to USD, my total salary for 2008 in US Dollars was **\$25,723**

B) Ronit's Salaries:

1. Ronit was employed as a teacher by the Israeli Ministry of education (Two different branches)
2. She was on maternity leave for nearly the first 3 months of the year, so she worked from late March until December 2008
3. Her salaries summed **51,081** ILS (Please see her translated employers' salary statements ("Form 106"), documents #XX and #XX, and also our Israeli tax return for 2008, document #XX. I have highlighted her salaries in pink)
4. For my 1040 I converted this sum to USD. The conversion method I used is detailed on page 2. After conversion to USD, her total salary for 2008 in US Dollars was **\$14,349**

C) Our Joint Income

1. The joint income, stated on the 1040, is the summation of both our salaries listed above.
2. The calculation: \$25,723 + \$ 14,349 = **\$40,072**

Details of Salaries and USD Conversion Explanation
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Explanation of Conversion to USD.

Benjamin's Salaries Conversion

- A) Each time I received a salary, for the Israeli tax authorities, I have converted the Euro value into ILS, based on the representative exchange rate of the Euro published by the Israel Central Bank.
- B) The salary in Euro, the payment date, the Euro/ILS rate, and the IS equivalents, are shown in the first 4 columns of the table below .
- C) In 2010, to prepare my 1040 for 2008, I used the ILS values, and converted them into USD based on the representative exchange rate of the USD published by the Israel Central Bank for those dates.
- D) The exact exchange rate I used to convert from ILS to USD, and the resulting USD value of my salaries are shown in the last 2 columns of the table.

<i>Salary (Euro)</i>	<i>Date (M/D/Y)</i>	<i>Euro/ILS Exchange Rate</i>	<i>Salary in ILS</i>	<i>USD/ILS Exchange Rate</i>	<i>Salary in USD</i>
€ 1,300.00	1/10/2008	5.572	₪7,243.60	3.79	\$1,911.24
€ 2,200.00	2/12/2008	5.2	₪11,440.00	3.58	\$3,195.53
€ 2,190.00	3/14/2008	5.29	₪11,585.10	3.4	\$3,407.38
€ 2,200.00	4/8/2008	5.684	₪12,504.80	3.56	\$3,512.58
€ 2,200.00	5/19/2008	5.32	₪11,704.00	3.36	\$3,483.33
€ 2,200.00	6/11/2008	5.67	₪12,474.00	3.4	\$3,668.82
€ 3,200.00	8/13/2008	5.34	₪17,088.00	3.59	\$4,759.89
€ 1,190.00	8/20/2008	5.367	₪6,386.73	3.58	\$1,784.00
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€ 16,680.00			₪90,426.23		\$25,722.79

Ronit's Salaries Conversion

- A) As mentioned, Ronit worked from March thru December 2008, And her salaries totaled **51,081** ILS.
- B) For my 1040 I converted this sum into USD, by using the average USD/ILS exchange rate for the period March-December 2008, as published by the Israel Central Bank which was 3.56.

Calculation of average follows:

Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
3.51	3.51	3.37	3.36	3.37	3.55	3.54	3.68	3.89	3.87

(reference : <http://www.bankisrael.gov.il/deptdata/mth/average/averg08e.htm>)

Average:

$$(3.51+3.51+3.37+3.36+3.37+3.55+3.54+3.68+3.89+3.87) / 10 = \mathbf{3.56}$$

- C) To convert her 51,081 ILS to USD:

$$51,081/3.56 = \mathbf{\$14,349}$$