

## Tax Brackets for 2018

Taxable income (i.e., income minus deductions and exemptions) between:

### Married, Joint

\$0 - \$19,050	10%
\$19,051 - \$77,400	12%
\$77,401 - \$165,000	22%
\$165,001 - \$315,000	24%
\$315,001 - \$400,000	32%
\$400,001 - \$600,000	35%
over \$600,000	37%
Capital gains/qualified dividends	
\$0 - \$77,199	0%
\$77,200 - \$478,999	15%
\$479,000 and over	20%

### Single

\$0 - \$9,525	10%
\$9,526 - \$38,700	12%
\$38,701 - \$82,500	22%
\$82,501 - \$157,500	24%
\$157,501 - \$200,000	32%
\$200,001 - \$500,000	35%
over \$500,000	37%
Capital gains/qualified dividends	
\$0 - \$38,599	0%
\$38,600 - \$425,799	15%
\$425,800 and over	20%

### Married, Separate

\$0 - \$9,525	10%
\$9,526 - \$38,700	12%
\$38,701 - \$82,500	22%
\$82,501 - \$157,500	24%
\$157,501 - \$200,000	32%
\$200,001 - \$300,000	35%
over \$300,000	37%
Capital gains/qualified dividends	
\$0 - \$38,599	0%
\$38,600 - \$239,499	15%
\$239,500 and over	20%

### Head of Household

\$0 - \$13,600	10%
\$13,601 - \$51,800	12%
\$51,801 - \$82,500	22%
\$82,501 - \$157,500	24%
\$157,501 - \$200,000	32%
\$200,001 - \$500,000	35%
over \$500,000	37%
Capital gains/qualified dividends	
\$0 - \$51,699	0%
\$51,700 - \$452,399	15%
\$452,400 and over	20%

### Estates and Trusts

\$0 - \$2,550	10%
\$2,551 - \$9,150	24%
\$9,151 - \$12,500	35%
over \$12,500	37%
Capital gains/qualified dividends	
\$0 - \$2,599	0%
\$2,600 - \$12,699	15%
\$12,700 and over	20%

**Corporate Tax Rate** 21%

## Standard Deduction

Married, joint	\$24,000
Single	\$12,000
Head of household	\$18,000
Blind or over 65: add \$1,300 if married, \$1,600 if single or head of household	

## Child/Dependent Tax Credit

Child	\$2,000 per child up to \$1,400 refundable
Qualifying Dependent	\$500 per dependent, nonrefundable

## Mortgage Interest Deduction

On acquisition indebtedness up to \$750,000 for 1st and 2nd homes  
No deduction for home equity indebtedness

## State and Local Tax Deduction Limit

State and local income and property tax deduction \$10,000

## Alternative Minimum Tax Exemption Amount

Married, joint	\$109,400
Single, HOH <sup>1</sup>	\$70,300
Married, separate	\$54,700

## IRA & Pension Plan Limits

<b>IRA contribution</b>	
Under age 50	\$5,500
Age 50 and over	\$6,500

## Phaseout for deducting IRA contribution

Married, joint	\$101,000 - \$121,000 AGI
Single, HOH <sup>1</sup>	\$63,000 - \$73,000 AGI
Married, separate	\$0 - \$10,000 AGI

## Phaseout for deducting spousal IRA<sup>2</sup>

\$189,000 - \$199,000 AGI

## Phaseout of Roth contribution eligibility

Married, joint	\$189,000 - \$199,000 MAGI
Single, HOH <sup>1</sup>	\$120,000 - \$135,000 MAGI
Married, separate	\$0 - \$10,000 MAGI

## SEP contribution

Up to 25% of compensation, limit \$55,000

## Compensation to participate in SEP \$600

<b>SIMPLE elective deferral</b>	
Under age 50	\$12,500
Age 50 and over	\$15,500

**401(k), 403(b)<sup>3</sup>, 457<sup>4</sup> and SARSEP elective deferral under age 50** \$18,500

**401(k), 403(b)<sup>3</sup>, 457<sup>4</sup> and SARSEP elective deferral age 50 and over** \$24,500

**Annual defined contribution limit** \$55,000

**Annual defined benefit limit** \$220,000

**Highly compensated employee** \$120,000

**Key Employee in top-heavy plan** \$175,000

**Annual compensation taken into account for qualified plans** \$275,000

## Retirement Tax Credit

A percentage tax credit for an IRA, 401(k), 403(b)<sup>3</sup> or 457<sup>4</sup> plan contribution, in addition to deduction or exclusion if

Married, joint	Below \$63,000 MAGI
Head of Household	Below \$47,250 MAGI
Single; Married, separate	Below \$31,500 MAGI

Maximum qualified longevity annuity contract (QLAC) premium \$130,000

## Gift and Estate Tax

Gift tax annual exclusion	\$15,000
Estate and gift tax rate	40%
Estate tax exemption	\$11,200,000
Lifetime gift exemption	\$11,200,000
GST exemption	\$11,200,000
Annual exclusion for gifts to noncitizen spouse	\$152,000

## Additional Medicare Tax Where Income Exceeds \$200,000 (\$250,000 married, joint)

Additional tax on excess of earned income <sup>5</sup>	0.9%
Additional tax on net investment income <sup>6</sup>	3.8%

## Health Care

### Eligible Long-Term Care Deduction Limit

Age 40 or less	\$420
Ages 41 to 50	\$780
Ages 51 to 60	\$1,560
Ages 61 to 70	\$4,160
Ages over 70	\$5,200

### Per Diem Limitation for LTC Benefits \$360

**Affordable Care Act:** Monthly penalty for failure to maintain minimum essential coverage: One-twelfth of greater of a) flat dollar amount or b) percentage of income.

\$695	2.5%
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1. Head of Household

2. Assumes individual or spouse also participates in an employer-sponsored retirement plan.

3. Special increased limit may apply to certain 403(b) contributions with 15 or more years of service.

4. In last three years prior to year of retirement, 457 plan participant may be able to double elective deferral if needed to catch-up on prior missed contributions, but if they do, they cannot use catch-up.

5. Total Employee Medicare Tax is 1.45%+0.9%=2.35%

6. Including interest, dividends, capital gains and annuity distributions.

# 2018 TAX REFERENCE SHEET

## Education

Coverdell Education Savings Account	\$2,000
Coverdell contribution eligibility phaseout	
Married, joint	\$190,000-\$220,000
All others	\$95,000-\$110,000
Student loan interest deduction limit	\$2,500
Interest deduction is phased out	
Married, joint	\$135,000 - \$165,000 MAGI
All others	\$65,000 - \$80,000 MAGI
Phaseout of Lifetime Learning Credits	
Married, joint	\$114,000 - \$134,000
All others	\$57,000 - \$67,000
Tax-free savings bonds interest phaseout	
Married, joint	\$119,550 - \$149,550 MAGI
All others	\$79,700 - \$94,700 MAGI

## Social Security<sup>7</sup>

Maximum wage base	\$128,400
Amount needed to earn one credit	\$1,320
Amount needed to earn four credits	\$5,280
Full retirement age	66 years, 0 months
Social Security Tax Rates	
Employee	7.65%
Employer	7.65%
Self-Employed	15.30%
Maximum monthly retirement benefit at full retirement age	\$2,788
Cost of Living Adjustment	2.0%

Maximum earnings (during work years) subject to tax \$128,400

Income<sup>8</sup> (in retirement) causing Social Security benefits to be taxable

Married, joint	
50% taxable	\$32,000 - \$44,000 MAGI
85% taxable	Over \$44,000 MAGI
Single	
50% taxable	\$25,000 - \$34,000 MAGI
85% taxable	Over \$34,000 MAGI

Loss of Social Security benefits: In years prior to full retirement age, \$1 in benefits will be lost for every \$2 of earnings in excess of \$17,040. In the year of full retirement age, \$1 in benefits will be lost for every \$3 of earnings in excess of \$45,360 (applies only to months of earnings prior to full retirement age). There is no limit on earnings beginning the month an individual attains full retirement age.

## Average monthly benefit (December 2016)<sup>9</sup>

Average monthly retirement benefit	
Men	\$1,519
Women	\$1,202
Average monthly survivor benefit	
Men	\$1,143
Women	\$1,306

7. Source: Social Security Administration, www.ssa.gov, 12/21/2017

8. Provisional income is most income, including muni bond interest and 50% of Social Security benefit.

9. Source: Fast Facts and Figures about Social Security, 2017.

## Uniform Lifetime Table

Use to calculate required minimum distributions from IRAs and qualified plans **during** owner's life. Do not use this table if owner has spousal beneficiary more than 10 years younger. Instead use Joint Life Table from IRS Pub. 590.

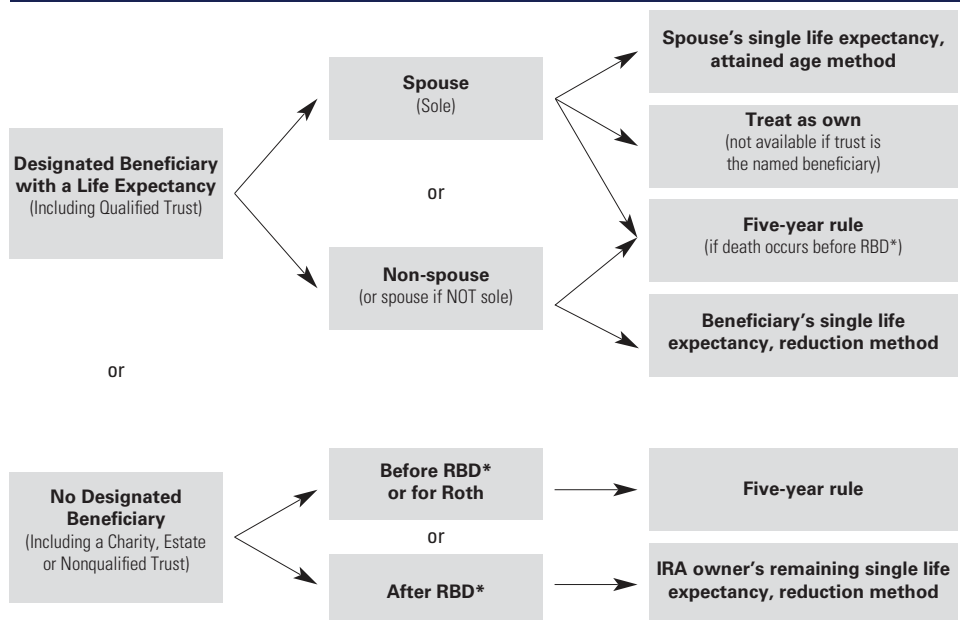
Taxpayer's Age	% of acct.	Life Expectancy	Taxpayer's Age	% of acct.	Life Expectancy
70	3.65	27.4	93	10.42	9.6
71	3.77	26.5	94	10.99	9.1
72	3.91	25.6	95	11.63	8.6
73	4.05	24.7	96	12.35	8.1
74	4.20	23.8	97	13.10	7.6
75	4.37	22.9	98	14.08	7.1
76	4.55	22.0	99	14.93	6.7
77	4.72	21.2	100	15.87	6.3
78	4.93	20.3	101	16.95	5.9
79	5.13	19.5	102	18.18	5.5
80	5.35	18.7	103	19.23	5.2
81	5.59	17.9	104	20.41	4.9
82	5.85	17.1	105	22.22	4.5
83	6.13	16.3	106	23.81	4.2
84	6.45	15.5	107	25.64	3.9
85	6.76	14.8	108	27.03	3.7
86	7.09	14.1	109	29.41	3.4
87	7.46	13.4	110	32.26	3.1
88	7.87	12.7	111	34.48	2.9
89	8.33	12.0	112	38.46	2.6
90	9.77	11.4	113	41.67	2.4
91	9.26	10.8	114	47.62	2.1
92	9.80	10.2	115+	52.63	1.9

## Single Life Table After IRA Owner's Death

Use to calculate required minimum distributions from IRAs and qualified plans **after** owner's death. See IRS Pub. 590 for complete table of ages 0 through 111+

Taxpayer's Age	% of acct.	Life Expectancy	Taxpayer's Age	% of acct.	Life Expectancy
39	2.24	44.6	62	4.26	23.5
40	2.29	43.6	63	4.41	22.7
41	2.34	42.7	64	4.59	21.8
42	2.40	41.7	65	4.76	21.0
43	2.46	40.7	66	4.95	20.2
44	2.51	39.8	67	5.15	19.4
45	2.58	38.8	68	5.38	18.6
46	2.64	37.9	69	5.61	17.8
47	2.70	37.0	70	5.88	17.0
48	2.78	36.0	71	6.13	16.3
49	2.85	35.1	72	6.45	15.5
50	2.92	34.2	73	6.76	14.8
51	3.00	33.3	74	6.94	14.1
52	3.10	32.3	75	7.46	13.4
53	3.18	31.4	76	7.87	12.7
54	3.28	30.5	77	8.26	12.1
55	3.38	29.6	78	8.77	11.4
56	3.48	28.7	79	9.26	10.8
57	3.58	27.9	80	9.80	10.2
58	3.70	27.0	81	10.31	9.7
59	3.83	26.1	82	10.00	9.1
60	3.97	25.2	83	11.63	8.6
61	4.10	24.4	84	12.35	8.1

## IRA Beneficiary Options



\*RBD defined as "Required Beginning Date" (April 1 following the year a Traditional IRA or Simple IRA holder reached age 70 1/2).

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