

2018 TAX AND RETIREMENT INFORMATION

INCOME TAX BRACKETS	
Single	
Not over \$9,525	10%
over \$9,525 - \$38,700	12%
over \$38,700 - \$82,500	22%
over \$82,500 - \$157,500	24%
over \$157,500 - \$200,000	32%
over \$200,000 - \$500,000	35%
over \$500,000	37%
Married Filing Jointly	
Not over \$19,050	10%
over \$19,050 - \$77,400	12%
over \$77,400 - \$165,000	22%
over \$165,000 - \$315,000	24%
over \$315,000 - \$400,000	32%
over \$400,000 - \$600,000	35%
over \$600,000	37%
Married Filing Separately	
Not over \$9,525	10%
over \$9,525 - \$38,700	12%
over \$38,700 - \$82,500	22%
over \$82,500 - \$157,500	24%
over \$157,500 - \$200,000	32%
over \$200,000 - \$300,000	35%
over \$300,000	37%
Head of Household	
Not over \$13,600	10%
over \$13,600 - \$51,800	12%
over \$51,800 - \$82,500	22%
over \$82,500 - \$157,500	24%
over \$157,500 - \$200,000	32%
over \$200,000 - \$500,000	35%
over \$500,000	37%

STANDARD DEDUCTIONS		
	Annual	Additional age 65+ or blind
Married/Filing Jointly	\$24,000	\$1,300
Single	\$12,000	\$1,600
Head of Household	\$18,000	\$1,600

KEY TAX RULES	
Kiddie Tax	Tax Rate
Unearned income < \$1,050	0%
Unearned Income > \$1,050 < \$2,100	Child's tax rate
Unearned Income > \$2,100	Ordinary and capital gains rates for trusts & estates

The Kiddie Tax rules apply to unearned income of the following:

- A child under age 18 at the end of each tax year
- An 18-year-old whose earned income does not exceed one-half of his or her support
- A 19-to-23-year-old full-time student whose earned income does not exceed one-half of his or her support

Child Tax Credit

Child Tax Credit has been increased to \$2,000 per child with \$1,400 being refundable. The Child Tax Credit also phases out beginning at \$400,000 (MFJ) and \$200,000 (all other filing).

Mortgage Interest Deduction

\$750,000 deductibility limit for acquisition indebtedness incurred after December 14, 2017.

No deduction for home equity loans unless proceeds are used to substantially increase the home that secures the loan, and meet the definition of acquisition debt.

State and Local Tax Deduction

State and Local Tax Deduction	\$10,000
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LONG TERM CAPITAL GAIN/QUALIFIED DIVIDEND INCOME					
Tax Rate	Single	Married Filing Jointly	Head of Household	Married Filing Separately	Trusts and Estate
0%	Less than \$38,600	Less than \$77,200	Less than \$51,700	Less than \$38,600	Less than \$2,600
15%	\$38,601 - \$425,800	\$77,201 - \$479,000	\$51,701 - \$452,400	\$38,601 - \$239,500	\$2,601 - \$12,700
20%	Over \$425,800	Over \$479,000	Over \$452,400	Over \$239,500	Over \$12,700

ALTERNATIVE MINIMUM TAX (AMT)		
Filing Status	Exemption Amount	Threshold Phaseout
Single Filers and Head of Household	\$70,300	\$500,000
Married Filing Jointly and Surviving Spouses	\$109,400	\$1,000,000
Married Filing Separately	\$54,700	\$500,000

3.8% SURTAX ON UNEARNED INCOME

The Net Investment Income Tax applies to individuals, trusts, and estates. Unearned income is defined as investment income such as income from interest, dividends, annuities, royalties, capital gains and other passive income.

The tax applies to the lesser of 1) net investment income and 2) the excess of MAGI over the threshold amount

This tax applies to taxpayers with MAGI exceeding :

\$250,000 for taxpayers filing jointly

\$125,000 for taxpayers filing married filing separately

\$200,000 for other taxpayers

HEALTH ACCOUNTS	
Health flexible spending account maximum	\$2,650
Health savings account maximum-self coverage only	\$3,450
Health savings account maximum - family coverage	\$6,900
Annual catch-up for age 55 and older	\$1,000

FICA			
	Employee	Employer	Self Employed
OASDI (Social Security) Maximum	6.2	6.2	12.4
HI (Medicare) Maximum	1.45	1.45	2.9

An additional 0.9% HI tax applies on individuals with wages or self-employment income in excess of \$200,000 (single and qualifying widow(er)s), \$250,000 (married/filing jointly), or \$125,000 (married/filing separately).

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SOCIAL SECURITY		
Annual Figures		
Maximum earnings subject to FICA	\$128,400	Unlimited earnings subject to HI/Medicare
2017 Cost-of-living adjustments	2%	
taxation of Benefits – Determined by Provisional Income		
= Adjusted Gross Income + Tax-Exempt Interest + 1/2 SS Benefits		
Single	Married	% of Benefits Taxed
Less than \$25K	less than \$32K	0%
\$25K- \$34K	\$32K- \$44K	Up to 50%
More than \$34K	More than \$44K	Up to 85%
Benefits Withholding - The Earned Income Test		
Full year prior to retirement age	\$1/\$2 of earnings above annual limit (\$17,040)	
Year you reach to retirement age	\$1/\$3 of earnings above annual limit (\$45,360)	
Month of retirement age and beyond	No limit on earnings. Future benefits increased base on amount of benefits withheld.	

RETIREMENT	
Traditional and Roth IRA Contribution Limits	
Under age 50	\$5,500
Age 50 and over	\$6,500
Deductibility of IRA Contribution (Phaseouts)	MAGI
Covered by Retirement Plan	
Single	\$63,000 - \$73,000
Married Filing Jointly	\$101,000 - \$121,000
Not Covered by Retirement Plan	
Single or Married Filing Jointly	Unlimited
Spouse Covered	\$189,000 - \$199,000
Roth IRA Contribution Eligibility	
Single	\$120,000 - \$135,000
Married Filing Jointly	\$189,000 - \$199,000
Married Filing Separately	\$10,000
SEP Contribution	
Up to 25% of compensation	maximum \$55,000
Compensation to participate in SEP	\$600
SIMPLE Elective Deferral	
Under age 50	\$12,500
Age 50 and over	\$15,500

401(k), 403(b), 457 and SARSEP	
Under age 50	\$18,500
Age 50 and over	\$24,500
Defined Contribution 415 Limit	\$55,000
Defined Benefit 415 Limit	\$220,000
Highly Compensated Employee	\$120,000
Compensation Limit	\$275,000

TRUST AND ESTATE INCOME TAX RATES	
If Taxable Income is:	Your Tax is:
Not over \$2,550	10%
over \$2,550 - \$9,150	24%
over \$9,150 - \$12,500	35%
over \$12,500	37%

2018 ESTATE, GIFT AND GENERATION SKIPPING TAX	
Annual Gift Tax Exclusion	\$15,000
Non-Citizen Spouse Annual Exclusion	\$152,000
Gift and Estate Tax Applicable Exclusion Amount	\$11,180,000
Generation Skipping Tax Exemption Amount	\$11,180,000

EDUCATION	
Coverdell Contributions	\$2,000
Phaseout for Contribution	MAGI
Single	\$95,000 - \$110,000
Married Filing Jointly	\$190,000 - \$220,000
529 Plan Contributions	
Accelerates 5 years of gifting into 1 year for individual gift.	\$75,000
Accelerates 5 years of gifting into 1 year for joint gift.	\$150,000
ABLE contribution limit	\$15,000

The Tax Cuts and Jobs Act enables individuals to roll over funds from a Qualified Tuition Plan to an ABL account of the same beneficiary or beneficiary's family. Rollovers from 529 plans are still subject to \$15,000 annual contribution limits in 2018.

Lifetime Learning Credit	
Maximum Credit	\$2,000
Phaseout single	\$57,000-\$67,000 MAGI
Married Filing Jointly	\$114,000-\$134,000 MAGI
Student Loan Interest	
Deduction limit:	\$2,500
Phaseout single	\$65,000-\$80,000 MAGI
Married Filing Jointly	\$135,000-\$165,500 MAGI
Phaseout of tax-free saving bonds interest	
Single	\$79,700 - \$94,700 MAGI
Married Filing Jointly	\$119,550 - \$149,550 MAGI
American Opportunity Tax Credit	
Maximum Credit	\$2,500
Phaseout single	\$80,000-\$90,000 MAGI
Married Filing Jointly	\$160,000- 180,000 MAGI

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