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2018 Key Numbers - Tax and Financial Planning



Individual Income Tax Planning

Adoption credit

Adoption credit	2017	2018
Maximum credit	\$13,570	\$13,840
Phaseout threshold amount	\$203,540	\$207,580
Completed phaseout amount after	\$243,540	\$247,580

Alternative Minimum Tax (AMT)

Maximum AMT exemption amount	2017	2018
Married filing jointly or surviving spouse	\$84,500	\$109,400
Single or head of household	\$54,300	\$70,300
Married filing separately	\$42,250	\$54,700

AMT income exemption phaseout threshold	2017	2018
Married filing jointly or surviving spouse	\$160,900	\$1,000,000
Single or head of household	\$120,700	\$500,000
Married filing separately	\$80,450	\$500,000

AMT tax rate (26% rate applies to AMTI at or below amount; 28% applies to AMTI above amount)	2017	2018
All taxpayers except married filing separately	\$187,800	\$191,500
Married filing separately	\$93,900	\$95,750

Charitable deductions

Use of auto	2017	2018
Deductible standard mileage rate	\$0.14	\$0.14

Charitable fundraising "insubstantial benefit" limitation	2017	2018
Low-cost article (re: unrelated business income)	\$10.70	\$10.90

Gifts to donor in return for contribution	2017	2018
Token gift maximum cost ¹	\$10.70	\$10.90
Minimum contribution amount ¹	\$53.50	\$54.50
2% threshold amount ²	\$107	\$109

¹ Contribution is fully deductible if minimum contribution amount is met and cost of token gift does not exceed maximum

² Charitable contribution is fully deductible if the benefit received by the donor doesn't exceed the lesser of the threshold amount or 2% of the amount of the contribution

Child tax credit

Amount of credit	2017	2018
Maximum credit per qualifying child	\$1,000	\$2,000
Nonrefundable credit for dependents who are not qualifying children	N/A	\$500

Phaseout -- credit reduced by \$50 for each \$1,000 or fraction thereof of MAGI over:	2017	2018
Single	\$75,000	\$200,000
Married Filing Jointly	\$110,000	\$400,000
Married Filing Separately	\$55,000	\$200,000

Refundability -- up to specified percentage of earned income in excess of specified amount	2017	2018
Percentage	15%	15%
Amount	\$3,000	\$2,500
Maximum refundable amount of credit	\$1,000	\$1,400

Classroom expenses of elementary and secondary school teachers

Classroom expense deduction	2017	2018
Maximum above-the-line deduction	\$250	\$250

Earned income tax credit (EITC)

Investment income limit	2017	2018
Excessive investment income limit ("disqualified income limit")	\$3,450	\$3,500

Maximum amount of EITC per number of children	2017	2018
0 children	\$510	\$520
1 child	\$3,400	\$3,468
2 children	\$5,616	\$5,728
3 or more children	\$6,318	\$6,444

Maximum amount of earned income on which EITC is based (earned income over this amount but under the threshold phaseout amount will not change the amount of the credit received)	2017	2018
0 children	\$6,670	\$6,800
1 child	\$10,000	\$10,200
2 or more children	\$14,040	\$14,320

Threshold phaseout amount for joint filers per number of children	2017	2018
0 children	\$13,930	\$14,200
1 child	\$23,930	\$24,400
2 children	\$23,930	\$24,400
3 or more children	\$23,930	\$24,400

Threshold phaseout amount for other filers per number of children	2017	2018
0 children	\$8,340	\$8,510
1 child	\$18,340	\$18,700
2 children	\$18,340	\$18,700
3 or more children	\$18,340	\$18,700

Completed phaseout amount for joint filers per number of children	2017	2018
0 children	\$20,600	\$21,000
1 child	\$45,207	\$46,102
2 children	\$50,597	\$51,598
3 or more children	\$53,930	\$54,998

Completed phaseout amount for other filers per number of children	2017	2018
0 children	\$15,010	\$15,310
1 child	\$39,617	\$40,402
2 children	\$45,007	\$45,898
3 or more children	\$48,340	\$49,298

Expatriation

Covered expatriate	2017	2018
An individual with "average annual net income tax" of more than this amount for the five taxable years ending before his or her loss of citizenship is a covered expatriate for the purposes of IRC §877A(g)(1)	\$162,000	\$165,000
IRC §877A(3) exclusion amount	\$699,000	\$713,000

Foreign earned income

Amount excluded from income	2017	2018
Exclusion amount	\$102,100	\$104,100

Itemized deductions

Phaseout threshold	2017	2018
Married filing jointly	\$313,800	N/A
Head of household	\$287,650	N/A
Unmarried	\$261,500	N/A
Married filing separately	\$156,900	N/A

Kiddie tax

Unearned income limit	2017	2018
Amount exempt from tax	\$1,050	\$1,050
Additional amount taxed at child's rate	\$1,050	\$1,050
Unearned income over this amount taxed at parent's rate (in 2018, taxed at trust and estate income tax rates)	\$2,100	\$2,100

Parent's election	2017	2018
Election to include child's income on parent's return -- child's gross income requirement	\$1,050 - \$10,500	N/A

AMT	2017	2018
AMT exemption for child subject to kiddie tax	Lesser of \$7,500 + child's earned income or \$54,300	Lesser of \$7,650 + child's earned income or \$70,300

Medicare tax (additional payroll tax and unearned income contribution tax)

Payroll tax	2017	2018
Additional Medicare payroll tax (and self-employment tax) percentage rate	0.90%	0.90%

Applies to wages/self-employment income exceeding	2017	2018
Individuals	\$200,000	\$200,000
Married filing jointly	\$250,000	\$250,000
Married filing separately	\$125,000	\$125,000

Tax on unearned income	2017	2018
Unearned income Medicare contribution tax rate	3.80%	3.80%

Applies to lesser of (a) net investment income or (b) modified adjusted gross income exceeding	2017	2018
Individuals	\$200,000	\$200,000
Married filing jointly	\$250,000	\$250,000
Married filing separately	\$125,000	\$125,000

Nanny tax

Compensation threshold	2017	2018
Domestic employee coverage threshold	\$2,000	\$2,100

Personal exemption amount

Amount	2017	2018
Personal exemption amount	\$4,050	N/A

Married filing jointly	2017	2018
Phaseout threshold amount	\$313,800	N/A
Completed phaseout amount after	\$436,300	N/A

Head of household	2017	2018
Phaseout threshold amount	\$287,650	N/A
Completed phaseout amount after	\$410,150	N/A

Unmarried	2017	2018
Phaseout threshold amount	\$261,500	N/A
Completed phaseout amount after	\$384,000	N/A

Married filing separately	2017	2018
Phaseout threshold amount	\$156,900	N/A
Completed phaseout amount after	\$218,150	N/A

"Saver's Credit"

Elective Deferrals and IRA Contributions by Certain Individuals	2017	2018
Maximum credit amount	\$1,000	\$1,000

Applicable percentage of 50% applies to AGI	2017	2018
Joint Return	\$0 - \$37,000	\$0 - \$38,000
Head of Household	\$0 - \$27,750	\$0 - \$28,500
Other	\$0 - \$18,500	\$0 - \$19,000

Applicable percentage of 20% applies to AGI	2017	2018
Joint Return	\$37,001 - \$40,000	\$38,001 - \$41,000
Head of Household	\$27,751 - \$30,000	\$28,501 - \$30,750
Other	\$18,501 - \$20,000	\$19,001 - \$20,500

Applicable percentage of 10% applies to AGI	2017	2018
Joint Return	\$40,001 - \$62,000	\$41,001 - \$63,000
Head of Household	\$30,001 - \$46,500	\$30,751 - \$47,250
Other	\$20,001 - \$31,000	\$20,501 - \$31,500

Applicable percentage of 0% applies to AGI	2017	2018
Joint Return	Over \$62,000	Over \$63,000
Head of Household	Over \$46,500	Over \$47,250
Other	Over \$31,000	Over \$31,500

Standard deductions

Amounts	2017	2018
Married filing jointly or surviving spouse	\$12,700	\$24,000
Head of household	\$9,350	\$18,000
Unmarried	\$6,350	\$12,000
Married filing separately	\$6,350	\$12,000
Dependent--Standard deduction cannot exceed the greater of:	\$1,050 or \$350 + earned income	\$1,050 or \$350 + earned income
Additional deduction for aged or blind (single or head of household)	\$1,550	\$1,600
Additional deduction for aged or blind (all other filing statuses)	\$1,250	\$1,300

Standard mileage rates

Applicable rates	2017	2018
Use of auto for business purposes (cents per mile)	\$0.535	\$0.545
Use of auto for medical purposes (cents per mile)	\$0.17	\$0.18
Use of auto for moving purposes (cents per mile)	\$0.17	\$0.18

YEAR
2018

2018 Federal Income Tax Rate Schedules (Individuals, Trusts, and Estates)

Single taxpayers

If taxable income is:	Your tax is:
Not over \$9,525	10% of taxable income
Over \$9,525 to \$38,700	\$952.50 + 12% of the excess over \$9,525
Over \$38,700 to \$82,500	\$4,453.50 + 22% of the excess over \$38,700
Over \$82,500 to \$157,500	\$14,089.50 + 24% of the excess over \$82,500
Over \$157,500 to \$200,000	\$32,089.50 + 32% of the excess over \$157,500
Over \$200,000 to \$500,000	\$45,689.50 + 35% of the excess over \$200,000
Over \$500,000	\$150,689.50 + 37% of the excess over \$500,000

Married filing jointly and surviving spouses

If taxable income is:	Your tax is:
Not over \$19,050	10% of taxable income
Over \$19,050 to \$77,400	\$1,905 + 12% of the excess over \$19,050
Over \$77,400 to \$165,000	\$8,907 + 22% of the excess over \$77,400
Over \$165,000 to \$315,000	\$28,179 + 24% of the excess over \$165,000
Over \$315,000 to \$400,000	\$64,179 + 32% of the excess over \$315,000
Over \$400,000 to \$600,000	\$91,379 + 35% of the excess over \$400,000
Over \$600,000	\$161,379 + 37% of the excess over \$600,000

Married individuals filing separately

If taxable income is:	Your tax is:
Not over \$9,525	10% of taxable income
Over \$9,525 to \$38,700	\$952.50 + 12% of the excess over \$9,525
Over \$38,700 to \$82,500	\$4,453.50 + 22% of the excess over \$38,700
Over \$82,500 to \$157,500	\$14,089.50 + 24% of the excess over \$82,500
Over \$157,500 to \$200,000	\$32,089.50 + 32% of the excess over \$157,500
Over \$200,000 to \$300,000	\$45,689.50 + 35% of the excess over \$200,000
Over \$300,000	\$80,689.50 + 37% of the excess over \$300,000



Heads of household

If taxable income is:	Your tax is:
Not over \$13,600	10% of taxable income
Over \$13,600 to \$51,800	\$1,360 + 12% of the excess over \$13,600
Over \$51,800 to \$82,500	\$5,944 + 22% of the excess over \$51,800
Over \$82,500 to \$157,500	\$12,698 + 24% of the excess over \$82,500
Over \$157,500 to \$200,000	\$30,698 + 32% of the excess over \$157,500
Over \$200,000 to \$500,000	\$44,298 + 35% of the excess over \$200,000
Over \$500,000	\$149,298 + 37% of the excess over \$500,000

Trusts and estates

If taxable income is:	Your tax is:
Not over \$2,550	10% of taxable income
Over \$2,550 to \$9,150	\$255 + 24% of the excess over \$2,550
Over \$9,150 to \$12,500	\$1,839 + 35% of the excess over \$9,150
Over \$12,500	\$3,011.50 + 37% of the excess over \$12,500

2017 Federal Income Tax Rate Schedules (Individuals, Trusts, and Estates)

Single taxpayers

If taxable income is:	Your tax is:
Not over \$9,325	10% of taxable income
Over \$9,325 to \$37,950	\$932.50 + 15% of the excess over \$9,325
Over \$37,950 to \$91,900	\$5,226.25 + 25% of the excess over \$37,950
Over \$91,900 to \$191,650	\$18,713.75 + 28% of the excess over \$91,900
Over \$191,650 to \$416,700	\$46,643.75 + 33% of the excess over \$191,650
Over \$416,700 to \$418,400	\$120,910.25 + 35% of the excess over \$416,700
Over \$418,400	\$121,505.25 + 39.6% of the excess over \$418,400

Married filing jointly and surviving spouses

If taxable income is:	Your tax is:
Not over \$18,650	10% of taxable income
Over \$18,650 to \$75,900	\$1,865 + 15% of the excess over \$18,650
Over \$75,900 to \$153,100	\$10,452.50 + 25% of the excess over \$75,900
Over \$153,100 to \$233,350	\$29,752.50 + 28% of the excess over \$153,100
Over \$233,350 to \$416,700	\$52,222.50 + 33% of the excess over \$233,350
Over \$416,700 to \$470,700	\$112,728 + 35% of the excess over \$416,700
Over \$470,700	\$131,628 + 39.6% of the excess over \$470,700

Married individuals filing separately

If taxable income is:	Your tax is:
Not over \$9,325	10% of taxable income
Over \$9,325 to \$37,950	\$932.50 + 15% of the excess over \$9,325
Over \$37,950 to \$76,550	\$5,226.25 + 25% of the excess over \$37,950
Over \$76,550 to \$116,675	\$14,876.25 + 28% of the excess over \$76,550
Over \$116,675 to \$208,350	\$26,111.25 + 33% of the excess over \$116,675
Over \$208,350 to \$235,350	\$56,364 + 35% of the excess over \$208,350
Over \$235,350	\$65,814 + 39.6% of the excess over \$235,350

Heads of household

If taxable income is:	Your tax is:
Not over \$13,350	10% of taxable income
Over \$13,350 to \$50,800	\$1,335 + 15% of the excess over \$13,350
Over \$50,800 to \$131,200	\$6,952.50 + 25% of the excess over \$50,800
Over \$131,200 to \$212,500	\$27,052.50 + 28% of the excess over \$131,200
Over \$212,500 to \$416,700	\$49,816.50 + 33% of the excess over \$212,500
Over \$416,700 to \$444,550	\$117,202.50 + 35% of the excess over \$416,700
Over \$444,550	\$126,950 + 39.6% of the excess over \$444,550

Trusts and estates

If taxable income is:	Your tax is:
Not over \$2,550	15% of taxable income
Over \$2,550 to \$6,000	\$382.50 + 25% of the excess over \$2,550
Over \$6,000 to \$9,150	\$1,245 + 28% of the excess over \$6,000
Over \$9,150 to \$12,500	\$2,127 + 33% of the excess over \$9,150
Over \$12,500	\$3,232.50 + 39.6% of the excess over \$12,500



Business Planning

Adoption Assistance Programs

Adoption assistance	2017	2018
Maximum amount that can be excluded from employee's gross income	\$13,570	\$13,840
Phaseout threshold amount	\$203,540	\$207,580
Completed phaseout amount after	\$243,540	\$247,580

Earnings subject to FICA taxes (taxable wage base)

FICA tax	2017	2018
Maximum annual earnings subject to Social Security taxes	\$127,200	\$128,400
Social Security and Medicare combined tax rate	15.30% ¹	15.30% ¹
OASDI portion (Social Security)	12.40%	12.40%
Hospital Insurance portion (Medicare)	2.90% ¹	2.90% ¹

¹ An additional Medicare (HI) employee contribution rate of 0.9% (for a total employee contribution of 2.35%, and a total combined Medicare contribution rate of 3.8%) is assessed on wages exceeding \$200,000 (\$250,000 for married couples filing joint returns, \$125,000 for married individuals filing separate returns). For married individuals filing joint returns, the additional 0.9% tax applies to the couples combined wages (to the extent the combined wages exceed \$250,000).

Health insurance deduction for self-employed

Health insurance premiums	2017	2018
Deduction for health insurance premiums paid by self-employed persons	100%	100%

Qualified transportation fringe benefits

Qualified transportation fringe benefits	2017	2018
Commuter vehicles and transit pass monthly exclusion amount	\$255	\$260
Qualified parking monthly exclusion amount	\$255	\$260
Qualified bicycle commuting reimbursement fringe benefit (monthly amount)	\$20	N/A

Section 179 expensing

Section 179 expensing	2017	2018
Maximum amount that may be deducted under IRC Section 179	\$510,000	\$1,000,000
Deduction reduced by the amount by which the cost of §179 property placed in service during the year exceeds this amount	\$2,030,000	\$2,500,000

Small business tax credit for providing health-care coverage

Amount of credit	2017	2018
Maximum credit percentage	50%	50%

Partial credit	2017	2018
Number of full-time equivalent employees (FTEs) fewer than:	25	25
Maximum average annual wages less than:	\$52,400	\$53,400

Full credit	2017	2018
Number of full-time equivalent employees (FTEs) no more than:	10	10
Maximum average annual wages less than or equal to:	\$26,200	\$26,700

Special additional first-year depreciation allowance

Bonus depreciation	2017	2018
"Bonus" depreciation for qualified property acquired and placed in service during specified time periods	50%	100%

Standard mileage rate (per mile)

Business use of auto	2017	2018
Use of auto for business purposes	\$0.535	\$0.545

Tax on accumulated earnings and personal holding company income

Accumulated earnings and personal holding company income	2017	2018
Maximum tax on these items	20%	20%

Education Planning

Coverdell education savings accounts

Coverdell ESAs	2017	2018
Annual contribution limit	\$2,000	\$2,000

MAGI phaseout range for Coverdell education savings accounts	2016	2017
Single--phaseout threshold amount	\$95,000	\$95,000
Single--completed phaseout amount after	\$110,000	\$110,000
Married filing jointly--phaseout threshold amount	\$190,000	\$190,000
Married filing jointly--completed phaseout threshold amount	\$220,000	\$220,000

Deduction for qualified higher education expenses

Higher education expenses	2017	2018
Maximum deduction	N/A	N/A

MAGI maximum for full \$4,000 deduction	2017	2018
Single	N/A	N/A
Married filing jointly	N/A	N/A

Reduced deduction	2017	2018
Reduced deduction available	N/A	N/A

MAGI range for \$2,000 deduction	2017	2018
Single--MAGI greater than this amount:	N/A	N/A
Single--MAGI does not exceed this amount:	N/A	N/A



Married filing jointly--MAGI greater than this amount:	N/A	N/A
Married filing jointly--MAGI does not exceed this amount:	N/A	N/A

Education loans--interest deduction

Education loan interest deduction	2017	2018
Maximum deduction for interest paid on qualified education loans	\$2,500	\$2,500

MAGI phaseout range	2017	2018
Single--phaseout threshold amount	\$65,000	\$65,000
Single--completed phaseout amount after	\$80,000	\$80,000
Married filing jointly--phaseout threshold amount	\$135,000	\$135,000
Married filing jointly--completed phaseout amount after	\$165,000	\$165,000

Gift tax exclusion

Gift tax	2017	2018
Annual gift tax exclusion--single individual	\$14,000	\$15,000
Annual gift tax exclusion--joint gift	\$28,000	\$30,000
Lump-sum gift to 529 plan--single individual	\$70,000	\$75,000
Lump-sum gift to 529 plan--joint gift	\$140,000	\$150,000

Kiddie tax

Kiddie tax	2017	2018
Generally, children pay federal income tax at their parents' rate (for 2018, at the tax rates that apply to estates and trusts) on any investment income over	\$2,100	\$2,100

American Opportunity and Lifetime Learning Credits

Education credits	2017	2018
Maximum Lifetime Learning credit	\$2,000	\$2,000
Maximum American Opportunity credit	\$2,500	\$2,500

MAGI phaseout range for Lifetime Learning credit	2017	2018
Single--phaseout threshold amount	\$56,000	\$57,000
Single--completed phaseout amount after	\$66,000	\$67,000
Married filing jointly--phaseout threshold amount	\$112,000	\$114,000
Married filing jointly--completed phaseout amount after	\$132,000	\$134,000

MAGI phaseout range for American Opportunity credit	2017	2018
Single--phaseout threshold amount	\$80,000	\$80,000
Single--completed phaseout amount after	\$90,000	\$90,000
Married filing jointly--phaseout threshold amount	\$160,000	\$160,000
Married filing jointly--completed phaseout amount after	\$180,000	\$180,000

U.S. savings bonds--interest exclusion for higher education expenses

Joint returns	2017	2018
Phaseout threshold for joint returns	\$117,250	\$119,550
Completed phaseout amount after	\$147,250	\$149,550

Other returns	2017	2018
Phaseout threshold for other returns	\$78,150	\$79,700
Completed phaseout amount after	\$93,150	\$94,700



Protection Planning

Eligible long-term care premium deduction limits:

LTC premium deduction limits	2017	2018
Age 40 or under	\$410	\$420
Age 41-50	\$770	\$780
Age 51-60	\$1,530	\$1,560
Age 61-70	\$4,090	\$4,160
Over age 70	\$5,110	\$5,200

Per diem limit:

LTC periodic payments	2017	2018
Periodic payments for qualified long-term care insurance/certain life insurance	\$360	\$360

Archer Medical Savings Accounts

High deductible health plan--self-only coverage	2017	2018
Annual deductible--minimum	\$2,250	\$2,300
Annual deductible--maximum	\$3,350	\$3,450
Annual out-of-pocket expenses required to be paid (other than for premiums) can't exceed	\$4,500	\$4,600

High deductible health plan--family coverage	2017	2018
Annual deductible--minimum	\$4,500	\$4,600
Annual deductible--maximum	\$6,750	\$6,850
Annual out-of-pocket expenses required to be paid (other than for premiums) can't exceed	\$8,250	\$8,400

Flexible spending account (FSA) for health care

Health care FSAs	2017	2018
Maximum salary reduction contribution	\$2,600	\$2,650

Health Savings Accounts (HSAs)

Annual contribution limit	2017	2018
Self-only coverage	\$3,400	\$3,450
Family coverage	\$6,750	\$6,900

High deductible health plan--self-only coverage	2017	2018
Annual deductible--minimum	\$1,300	\$1,350
Annual out-of-pocket expenses required to be paid (other than for premiums) can't exceed	\$6,550	\$6,650

High deductible health plan--family coverage	2017	2018
Annual deductible--minimum	\$2,600	\$2,700
Annual out-of-pocket expenses required to be paid (other than for premiums) can't exceed	\$13,100	\$13,300

Catch-up contributions	2017	2018
Annual catch-up contribution limit for individuals age 55 or older	\$1,000	\$1,000



Estate Planning

Key indexed figures	2017	2018
Annual gift exclusion:	\$14,000	\$15,000
Gift and estate tax applicable exclusion amount:	\$5,490,000 + DSUEA ¹	\$11,200,000 + DSUEA ¹
Noncitizen spouse annual gift exclusion:	\$149,000	\$152,000
Generation-skipping transfer (GST) tax exemption:	\$5,490,000 ²	\$11,200,000 ²
Special use valuation limit (qualified real property in decedent's gross estate):	\$1,120,000	\$1,140,000

¹ Basic exclusion amount plus deceased spousal unused exclusion amount (exclusion is portable for 2011 and later years); 2018 amount may be adjusted by the IRS

² The GST tax exemption is not portable; 2018 amount may be adjusted by the IRS

2017 and 2018 gift and estate tax rate schedule

Taxable Estate	Tentative Tax Equals	Plus	Of Amount Over
0 - \$10,000	\$0	18%	\$0
\$10,000 - \$20,000	\$1,800	20%	\$10,000
\$20,000 - \$40,000	\$3,800	22%	\$20,000
\$40,000 - \$60,000	\$8,200	24%	\$40,000
\$60,000 - \$80,000	\$13,000	26%	\$60,000
\$80,000 - \$100,000	\$18,200	28%	\$80,000
\$100,000 - \$150,000	\$23,800	30%	\$100,000
\$150,000 - \$250,000	\$38,800	32%	\$150,000
\$250,000 - \$500,000	\$70,800	34%	\$250,000
\$500,000 - \$750,000	\$155,800	37%	\$500,000
\$750,000 - \$1,000,000	\$248,300	39%	\$750,000
\$1,000,000 +	\$345,800	40%	\$1,000,000
Credit shelter amount \$5,490,000 in 2017 and \$11,200,000 in 2018	Unified credit amount \$2,141,800 in 2017 and \$4,425,800 in 2018		



Government Benefits

Social Security

Social Security Cost-of-living adjustment (COLA)	2017	2018
For Social Security and Supplemental Security Income (SSI) beneficiaries	0.30%	2.00%

Tax rate--employee	2017	2018
FICA tax -- Employee	7.65%	7.65%
Social Security (OASDI) portion of tax	6.20%	6.20%
Medicare (HI) portion of tax	1.45% ¹	1.45% ¹

Tax rate--self-employed	2017	2018
Self-Employed	15.30%	15.30%
Social Security (OASDI) portion of tax	12.40%	12.40%
Medicare (HI) portion of tax	2.90% ¹	2.90% ¹

¹ An additional 0.9% Medicare/hospital insurance tax (for a total employee contribution of 2.35%) is assessed on wages exceeding \$200,000 (\$250,000 for married couples filing joint returns, \$125,000 for married individuals filing separate returns). An additional 0.9% Medicare/hospital insurance tax (for a total Medicare portion of 3.8%) is assessed on self-employment income exceeding \$200,000 (\$250,000 for married couples filing joint returns, \$125,000 for married individuals filing separate returns).

Maximum taxable earnings	2017	2018
Social Security (OASDI only)	\$127,200	\$128,400
Medicare (HI only)	No limit	No limit

Quarter of coverage	2017	2018
Earnings required	\$1,300	\$1,320

Retirement earnings test--exempt amounts--Under full retirement age--Benefits reduced by \$1 for each \$2 earned above:	2017	2018
Yearly figure	\$16,920	\$17,040
Monthly figure	\$1,410	\$1,420

Retirement earnings test--exempt amounts--Year individual reaches full retirement age--Benefits reduced by \$1 for each \$3 earned above (applies only to earnings for months prior to attaining full retirement age):	2017	2018
Yearly figure	\$44,880	\$45,360
Monthly figure	\$3,740	\$3,780

Retirement earnings test--exempt amounts--Beginning the month individual attains full retirement age	2017	2018
	No limit on earnings	No limit on earnings

Social Security disability thresholds	2017	2018
Substantial gainful activity (SGA) for the sighted (monthly figure)	\$1,170	\$1,180
Substantial gainful activity for the blind (monthly figure)	\$1,950	\$1,970
Trial work period (TWP) (monthly figure)	\$840	\$850

SSI federal payment standard	2017	2018
Individual (monthly figure)	\$735	\$750
Couple (monthly figure)	\$1,103	\$1,125

SSI resource limits	2017	2018
Individual	\$2,000	\$2,000
Couple	\$3,000	\$3,000

SSI student exclusion limits	2017	2018
Monthly limit	\$1,790	\$1,820
Annual limit	\$7,200	\$7,350

Maximum Social Security benefit	2017	2018
Worker retiring at full retirement age (monthly figure)	\$2,687	\$2,788

Formula for Monthly Primary Insurance Amount (PIA)	2017	2018
(90% of first X of AIME + 32% of the AIME over X and through Y + 15% of AIME over Y)	X=\$885 Y=\$5,336	X=\$895 Y=\$5,397

Medicare

Medicare monthly premium amounts--Part A (hospital insurance) premium	2017	2018
Individuals with 40 or more quarters of Medicare-covered employment	\$0	\$0
Individuals with less than 40 quarters of Medicare-covered employment who are not otherwise eligible for premium-free hospital insurance	Up to \$413	Up to \$422

Medicare monthly premium amounts--Part B (medical insurance) monthly premium--for beneficiaries who file an individual income tax return with income that is:	2017	2018
Less than or equal to \$85,000	\$109 / \$134 ²	\$130 / \$134 ²
\$85,001 - \$107,000	\$187.50	\$187.50
\$107,001 - \$160,000 [2017] \$107,001 - \$133,500 [2018]	\$267.90	\$267.90
\$160,001 - \$214,000 [2017] \$133,501 - \$160,000 [2018]	\$348.30	\$348.30
Greater than \$214,000 [2017] Greater than \$160,000 [2018]	\$428.60	\$428.60

Medicare monthly premium amounts--Part B (medical insurance) monthly premium--for beneficiaries who file a joint income tax return with income that is:	2017	2018
Less than or equal to \$170,000	\$109 / \$134 ²	\$130 / \$134 ²
\$170,001 - \$214,000	\$187.50	\$187.50
\$214,001 - \$320,000 [2017] \$214,001 - \$267,000 [2018]	\$267.90	\$267.90
\$320,001 - \$428,000 [2017] \$267,001 - \$320,000 [2018]	\$348.30	\$348.30
Greater than \$428,000 [2017] Greater than \$320,000 [2018]	\$428.60	\$428.60

Medicare monthly premium amounts--Part B (medical insurance) monthly premium--for beneficiaries who are married, but file a separate tax return from their spouse and lived with spouse at some time during the taxable year with income that is:	2017	2018
Less than or equal to \$85,000	\$109 / \$134 ²	\$130 / \$134 ²
\$85,001 - \$129,000 [2017] N/A [2018]	\$348.30	N/A
Greater than \$129,000 [2017] Greater than \$85,000 [2018]	\$428.60	\$428.60

² The standard Part B premium amount is \$134 (or higher depending on your income) (\$134 in 2018 as well). However, some people who get Social Security benefits will pay less than this amount (\$109 on average in 2017; \$130 on average in 2018).

Original Medicare plan deductible and coinsurance amounts--Part A (hospital insurance)	2017	2018
Deductible per benefit period	\$1,316	\$1,340
Coinsurance per day for 61st to 90th day of each benefit period	\$329	\$335
Coinsurance per day for 91st to 150th day for each lifetime reserve day (total of 60 lifetime reserve days--nonrenewable)	\$658	\$670

Original Medicare plan deductible and coinsurance amounts	2017	2018
Skilled nursing facility coinsurance per day for 21st to 100th day of each benefit period	\$164.50	\$168

Original Medicare plan deductible and coinsurance amounts--Part B (medical insurance) annual deductible	2017	2018
Individual pays 20 percent of the Medicare-approved amount for services after deductible is met	\$183	\$183

Medicaid

Income threshold	2017	2018
Monthly income threshold for income-cap states ("300 percent cap limit")	\$2,205	\$2,250

Monthly maintenance needs allowance for at-home spouse	2017	2018
Minimum ³	\$2,002.50	\$2,030.00
Maximum	\$3,022.50	\$3,090.00

Spousal resource allowance	2017	2018
Minimum	\$24,180	\$24,720
Maximum	\$120,900	\$123,600

³ Amounts listed actually effective as of July of prior year; different amounts apply to Alaska and Hawaii.



Retirement Planning

Employee/individual contribution limits

Elective deferral limits	2017	2018
401(k) plans, 403(b) plans, 457(b) plans, and SAR-SEPs ¹ (Includes Roth 401(k) and Roth 403(b) contributions)	Lesser of \$18,000 or 100% of participant's compensation	Lesser of \$18,500 or 100% of participant's compensation
SIMPLE 401(k) plans and SIMPLE IRA plans ¹	Lesser of \$12,500 or 100% of participant's compensation	Lesser of \$12,500 or 100% of participant's compensation

¹ Must aggregate employee contributions to all 401(k), 403(b), SAR-SEP, and SIMPLE plans of all employers. 457(b) plan contributions are not aggregated. For SAR-SEPs, the percentage limit is 25% of compensation reduced by elective deferrals (effectively, a 20% maximum contribution).

IRA contribution limits	2017	2018
Traditional IRAs	Lesser of \$5,500 or 100% of earned income	Lesser of \$5,500 or 100% of earned income
Roth IRAs	Lesser of \$5,500 or 100% of earned income	Lesser of \$5,500 or 100% of earned income

Additional "catch-up" limits (individuals age 50 or older)	2017	2018
401(k) plans, 403(b) plans, 457(b) plans, and SAR-SEPs ²	\$6,000	\$6,000
SIMPLE 401(k) plans and SIMPLE IRA plans	\$3,000	\$3,000
IRAs (traditional and Roth)	\$1,000	\$1,000

² Special catch-up limits may also apply to 403(b) and 457(b) plan participants.

Employer contribution/benefit³ limits

Defined benefit plan limits	2017	2018
Annual contribution limit per participant	No predetermined limit. Contributions based on amount needed to fund promised benefits	No predetermined limit. Contributions based on amount needed to fund promised benefits
Annual benefit limit per participant	Lesser of \$215,000 or 100% of average compensation for highest three consecutive years	Lesser of \$220,000 or 100% of average compensation for highest three consecutive years

Defined contribution plan limits (qualified plans, 403(b) plans, SEP, and SIMPLE plans)	2017	2018
Annual addition limit per participant (<i>employer contributions; employee pretax, after-tax, and Roth contributions; and forfeitures</i>) (<i>does not apply to SIMPLE IRA plans</i>)	Lesser of \$54,000 or 100% (25% for SEP) of participant's compensation	Lesser of \$55,000 or 100% (25% for SEP) of participant's compensation
Maximum tax-deductible employer contribution (<i>not applicable to 403(b) plans</i>)	25% of total compensation of employees covered under the plan (20% if self employed) plus any employee pretax and Roth contributions; 100% for SIMPLE plans	25% of total compensation of employees covered under the plan (20% if self employed) plus any employee pretax and Roth contributions; 100% for SIMPLE plans

³ For self-employed individuals, compensation generally means earned income. This means that, for qualified plans, deductible contributions for a self-employed individual are limited to 20% of net earnings from self-employment (net profits minus self-employment tax deduction), and special rules apply in calculating the annual additions limit.

Compensation limits/thresholds

Retirement plan compensation limits	2017	2018
Maximum compensation per participant that can be used to calculate tax-deductible employer contribution (qualified plans and SEPs)	\$270,000	\$275,000
Compensation threshold used to determine a highly-compensated employee	\$120,000 (when 2017 is the look-back year)	\$120,000 (when 2018 is the look-back year)
Compensation threshold used to determine a key employee in a top-heavy plan	\$1 for more-than-5% owners; \$175,000 for officers; \$150,000 for more-than-1% owners	"\$1 for more-than-5% owners \$175,000 for officers \$150,000 for more-than-1% owners"

Compensation threshold used to determine a qualifying employee under a SIMPLE plan	\$5,000	\$5,000
Compensation threshold used to determine a qualifying employee under a SEP plan	\$600	\$600

Traditional deductible IRA income limits--Income phase-out range for determining deductibility of traditional IRA contributions for taxpayers covered by an employer-sponsored plan and filing as:	2017	2018
Single	\$62,000 - \$72,000	\$63,000 - \$73,000
Married filing jointly	\$99,000 - \$119,000	\$101,000 - \$121,000
Married filing separately	\$0 - \$10,000	\$0 - \$10,000

Traditional deductible IRA income limits--Income phase-out range for determining deductibility of traditional IRA contributions for taxpayers not covered by an employer-sponsored retirement plan but filing a:	2017	2018
Joint return with a spouse who is covered by an employer-sponsored retirement plan	\$186,000 - \$196,000	\$189,000 - \$199,000

Roth IRA compensation limits--Income phase-out range for determining ability to fund Roth IRA for taxpayers filing as:	2017	2018
Single	\$118,000 - \$133,000	\$120,000 - \$135,000
Married filing jointly	\$186,000 - \$196,000	\$189,000 - \$199,000
Married filing separately	\$0 - \$10,000	\$0 - \$10,000



Investment Planning

Maximum tax on long-term capital gains and qualified dividends

0% rate applies (taxable income thresholds)	2017	2018
Single	Up to \$37,950	Up to \$38,600
Married filing jointly	Up to \$75,900	Up to \$77,200
Married filing separately	Up to \$37,950	Up to \$38,600
Head of household	Up to \$50,800	Up to \$51,700

15% rate applies (taxable income thresholds)	2017	2018
Single	\$37,951 to \$418,400	\$38,601 to \$425,800
Married filing jointly	\$75,901 to \$470,700	\$77,201 to \$479,000
Married filing separately	\$37,951 to \$235,350	\$38,601 to \$239,500
Head of household	\$50,801 to \$444,550	\$51,701 to \$452,400

20% rate applies (taxable income thresholds)	2017	2018
Single	Over \$418,400	Over \$425,800
Married filing jointly	Over \$470,700	Over \$479,000
Married filing separately	Over \$235,350	Over \$239,500
Head of household	Over \$444,550	Over \$452,400

Unearned income Medicare contribution tax ("net investment income tax")

Amount of tax	2017	2018
Tax percentage	3.80%	3.80%

Applies to lesser of (a) net investment income or (b) modified adjusted gross income exceeding:	2017	2018
Individuals	\$200,000	\$200,000
Married filing jointly	\$250,000	\$250,000
Married filing separately	\$125,000	\$125,000

IMPORTANT DISCLOSURES

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