

TAX REFERENCE GUIDE



2018

TRADITIONAL & ROTH IRAS

Contribution limits

	2018
Regular	\$5,500
Catch-Up*	\$1,000

*Only taxpayers age 50 and over are eligible to make catch-up contributions.

Roth contribution phase-out

MAGI phase-out range for contributions to Roth IRAs in 2018

Married filing jointly: \$189,000–\$199,000	Married filing separately: \$0–\$10,000	Single: \$120,000–\$135,000
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No annual income limit for determining ability to convert traditional IRA to Roth IRA continues for 2018.

Traditional IRA deductibility rules

Filing Status	Covered by Employer's Retirement Plan?	Modified AGI 2018	Deductibility
Single	No	Any amount	Full deduction
	Yes	\$63,000 or less	Full deduction
		\$63,001–\$72,999	Partial deduction
	\$73,000 or more	No deduction	
Married filing jointly	Neither Spouse Covered	Any amount	Full deduction
	Both Spouses Covered	\$101,000 or less	Full deduction
		\$101,001–\$120,999	Partial deduction
		\$121,000 or more	No deduction
	One Spouse Covered For Covered Spouse	\$101,000 or less	Full deduction
		\$101,001–\$120,999	Partial deduction
		\$121,000 or more	No deduction
	One Spouse Covered For Non-Covered Spouse	\$189,000 or less	Full deduction
		\$189,001–\$198,999	Partial deduction
\$199,000 or more		No deduction	

2018 ESTATE & GIFT TAX RATES

The top tax rate applicable to estates and living gifts will be subject to a maximum tax rate of 40%

Subtract applicable credit below from calculated tax

Estate Tax	Exclusion Amount	Federal Credit	Gift Tax Exclusion
2018	\$11,200,000	\$4,425,800	\$11,200,000

Other estate & gift planning items

	2018
Annual gift tax exclusion	\$15,000
Annual gift tax exclusion for non U.S. citizen spouses	\$152,000
Generation-skipping tax (GST) exemption	\$11,200,000
IRC § 6166 2% limit for deferred estate tax payments	\$1,520,000
Special use valuation for qualified real property	\$1,140,000

QUALIFIED PLANS

	2018
Max elective deferral to retirement plans (e.g. 401(k), 403(b) and 457 plans, and SARSEPs)	\$18,500
Max elective deferral to SIMPLE 401(k) plans	\$12,500
Limit on annual additions to SEP plans	\$55,000
Annual compensation threshold requiring SEP contribution	\$600
Limit on annual additions to defined contribution plans	\$55,000
Maximum annual compensation taken into account for contributions	\$275,000
Annual benefit limit under benefit plans	\$220,000
Threshold amount for definition of highly compensated employee	\$120,000
Threshold amount for definition of key employee/officer in top-heavy plans	\$175,000
Maximum Qualified Longevity Annuity Contract (QLAC): Lessor of \$130,000 or 25% of your aggregate IRA account values.	

Catch-up contribution limits for other qualified plan types

	2018
401(k), 403(b), SARSEP, and 457 Plans	\$6,000
SIMPLE Plans	\$3,000

Consult your tax professional for advice. Information provided as an incidental service to our business as (insurance professionals, financial planner, investment advisor, securities broker)

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SOCIAL SECURITY TAX RULES

Social Security Benefit Reduction before Full Retirement Age (FRA).
\$1 of every \$2 over \$17,040/yr before year of FRA
\$1 of every \$3 over \$45,360/yr during the year FRA is reached

PERCENTAGE OF SOCIAL SECURITY BENEFITS INCLUDED IN TAXES

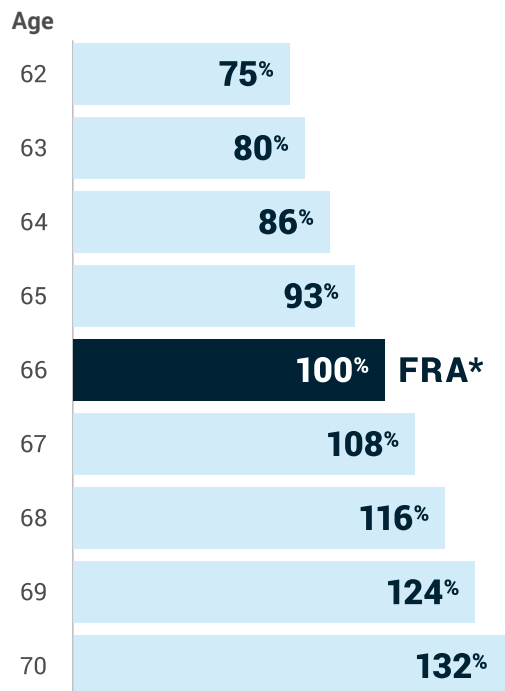
	Single	Married Filing Jointly
0%	<\$25,000	<\$32,000
50%	\$25,000–34,000	\$32,000–44,000
85%	>\$34,000	>\$44,000

Combined Income above is:
Annual Gross Income + 50% Social Security benefits

Taxable Wage Base for Social Security: \$128,400



PERCENTAGE OF SOCIAL SECURITY FULL RETIREMENT BENEFIT IF COLLECTED AT:



* Full Retirement Age (FRA) for individuals born between 1943–1954

INCOME TAX COMPARISON 2018

If taxable income is

Over	But Not Over	The Tax Is	Of the Amount Over
Married Filing Jointly and Surviving Spouses			
\$0	\$19,050	\$0 + 10%	\$0
\$19,051	\$77,400	\$1,905 + 12%	\$19,050
\$77,401	\$165,000	\$8,907 + 22%	\$77,400
\$165,001	\$315,000	\$28,179 + 24%	\$165,000
\$315,001	\$400,000	\$64,179 + 32%	\$315,000
\$400,001	\$600,000	\$91,379 + 35%	\$400,000
\$600,001	–	\$161,379 + 37%	\$600,000
Single			
\$0	\$9,525	\$0 + 10%	\$0
\$9,526	\$38,700	\$953 + 12%	\$9,525
\$38,701	\$82,500	\$4,454 + 22%	\$38,700
\$82,501	\$157,500	\$14,090 + 24%	\$82,500
\$157,501	\$200,000	\$32,090 + 32%	\$157,500
\$200,001	\$500,000	\$45,690 + 35%	\$200,000
\$500,001	–	\$150,690 + 37%	\$500,000

Estates and Trusts: Tax rates graduated from 10% to 37%. Income over \$12,500

	Exemption	Phase-out Range
Standard Deductions	Annual	Add'l Age 65 or Older, or Blind
Married Filing Jointly	2018	\$24,000
Head of Household	2018	\$18,000
Single/Married Filing Separately	2018	\$12,000
Child Tax Credit: \$2,000 per child phases out \$50 for each \$2,000 of modified AGI over \$400,000 (married filing jointly), or \$200,000 (single).		
Capital Gains and Qualifying Dividends Tax Rate (2018)		
Taxpayer Bracket	Short Term < 12 Mo	Long Term > 12 Mo
Single: Up to \$38,600 MFJ: Up to \$77,200	Ordinary rate	0%
Single: \$38,601–\$425,800 MFJ: \$77,201–\$479,000	Ordinary rate	15%
Single: \$425,801 and up MFJ: \$479,001 and up	Ordinary rate	20%
Tax on Net Investment Income: Additional 3.8% tax on lesser of net investment income or excess of modified adjusted gross income over \$200,000 single/ \$250,000 married filing jointly		