

TRADITIONAL AND 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

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
		\$63,000 or less	Full deduction
	Yes	\$63,001 – \$72,999	Partial deduction
\$73,000 or more		No deduction	
Married Filing Jointly	Neither Spouse Covered	Any amount	Full deduction
		\$101,000 or less	Full deduction
	Both Spouses Covered	\$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
		\$189,000 or less	Full deduction
One Spouse Covered for Non-Covered Spouse	\$189,001 – \$198,999	Partial deduction	
	\$199,000 or more	No deduction	

QUALIFIED PLANS

	2018
Maximum elective deferral to retirement plans (e.g., 401(k), 403(b), and 457 plans, and SARSEPs)	\$18,500
Maximum 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 defined 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

Catch-Up Contribution Limits for Other Qualified Plan Types

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

REQUIRED MINIMUM DISTRIBUTIONS

Uniform Lifetime Table

Current Age	Distribution Period	Current Age	Distribution Period
70	27.4	93	9.6
71	26.5	94	9.1
72	25.6	95	8.6
73	24.7	96	8.1
74	23.8	97	7.6
75	22.9	98	7.1
76	22.0	99	6.7
77	21.2	100	6.3
78	20.3	101	5.9
79	19.5	102	5.5
80	18.7	103	5.2
81	17.9	104	4.9
82	17.1	105	4.5
83	16.3	106	4.2
84	15.5	107	3.9
85	14.8	108	3.7
86	14.1	109	3.4
87	13.4	110	3.1
88	12.7	111	2.9
89	12.0	112	2.6
90	11.4	113	2.4
91	10.8	114	2.1
92	10.2	115 and Over	1.9

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2018 ESTATE AND GIFT TAX RATES

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

Estate Tax	Exclusion Amount	Federal Credit	Gift Tax Exclusion
2018	\$11,200,000 ¹	\$4,425,800 ¹	\$11,200,000 ¹

States with Estate or Inheritance Taxes

CT, DC, DE, HI, IL, IA, KY, ME, MD, MA, MN, NE, NJ, NY, OR, PA, RI, VT, WA.

Other Estate and 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 ¹
IRC §6166 2% limit for deferred estate tax payments	\$1,520,000
Special use valuation for qualified real property	\$1,140,000

Investment and Insurance Products:

Not Insured by FDIC, NCUSIF, or Any Federal Government Agency. May Lose Value. Not a Deposit of or Guaranteed by Any Bank, Credit Union, Bank Affiliate, or Credit Union Affiliate.



PERSONAL TAX ITEMS

Standard Deductions ¹	Annual	Add'l Age 65 or Older, or Blind
Married, Filing Jointly	\$24,000	\$1,300
Head of Household	\$18,000	\$1,600
Single/Married, Filing Separately	\$12,000	\$1,600

Dependents - \$1,050 or \$350 plus earned income, if greater.
Tax return is generally not required if income is less than the standard deduction.

Qual. Dividends and Long-Term Capital Gains >= 12 Month Holding Period		
Tax	Single	Married Filing Jointly
0%	\$0 - \$38,600	\$0 - \$77,200
15%	\$38,601-\$425,800	\$77,201-\$479,000
20%	above \$425,800	above \$479,000

Short-term capital gains at ordinary rates, less than 12 month holding period.

ACA Surtax on Net Investment Income	Single	Married, Joint
Additional 3.8% on MAGI Over	\$200,000	\$250,000
Additional 0.9% on Wages Over	\$200,000	\$250,000

Alternative Minimum Tax (Flat Rate 26%)	Exemption	28% Above	Phaseout Begins
Single	\$70,300	\$191,500	\$500,000
Married, Filing Jointly	\$109,400	\$191,500	\$1,000,000
Married, Filing Separately	\$54,700	\$95,750	\$500,000
Estates and Trusts	\$24,600	\$191,500	\$82,050

Kiddie Tax ¹	
Earned Income	Taxed according to unmarried taxpayers (brackets and rates)
Unearned Income	Taxed according to trusts and estates (brackets and rates)

Child's tax is unaffected by tax situation of child's parents.

Child Credit ¹	Credit	Refundable
Child less than age 17	\$2,000	\$1,400
Other dependents	\$500	\$0

Modified AGI Phaseout: \$400,000 married filing jointly, \$200,000 all others.
Limits not indexed for inflation.

Earned Income Credit				
Qualifying Children	None	One	Two	3 or More
Earned Income	\$6,800	\$10,200	\$14,320	\$14,320
Maximum Credit	\$520	\$3,468	\$5,728	\$6,444
Begin Phaseout: Single	\$8,510	\$18,700	\$18,700	\$18,700
Begin Phaseout: Joint	\$14,200	\$24,400	\$24,400	\$24,400

Personal Tax Items Repealed or Changed¹

- Personal exemptions repealed
- Medical expenses deductible above 7.5% AGI in 2018, 10% AGI thereafter.
- State, local, real estate taxes limited to \$10,000.
- "NEW" mortgage interest limited to \$750,000, home equity loans excluded.
- Casualty losses only allowed for federal disaster areas.
- Theft losses, moving and miscellaneous expense subject to 2% floor repealed.
- Re-characterization of roth conversion repealed.
- 529 plans enhanced—up to \$10,000 for elementary and secondary tuition.
- Limitation on itemized deductions repealed.

INCOME TAX

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	10%	\$0
\$19,050	\$77,400	\$1,905.00 + 12%	\$19,050
\$77,400	\$165,000	\$8,907.00 + 22%	\$77,400
\$165,000	\$315,000	\$28,179.00 + 24%	\$165,000
\$315,000	\$400,000	\$64,179.00 + 32%	\$315,000
\$400,000	\$600,000	\$91,379.00 + 35%	\$400,000
\$600,000		\$161,379.00 + 37%	\$600,000
Unmarried Individual			
\$0	\$9,525	10%	\$0
\$9,525	\$38,700	\$952.50 + 12%	\$9,525
\$38,700	\$82,500	\$4,453.50 + 22%	\$38,700
\$82,500	\$157,500	\$14,089.50 + 24%	\$82,500
\$157,500	\$200,000	\$32,089.50 + 32%	\$157,500
\$200,000	\$500,000	\$45,689.50 + 35%	\$200,000
\$500,000		\$150,689.50 + 37%	\$500,000
Married Individual Filing Separately			
\$0	\$9,525	10%	\$0
\$9,525	\$38,700	\$952.50 + 12%	\$9,525
\$38,700	\$82,500	\$4,453.50 + 22%	\$38,700
\$82,500	\$157,500	\$14,089.50 + 24%	\$82,500
\$157,500	\$200,000	\$32,089.50 + 32%	\$157,500
\$200,000	\$300,000	\$45,689.50 + 35%	\$200,000
\$300,000		\$80,689.50 + 37%	\$300,000
Head of Household			
\$0	\$13,600	10%	\$0
\$13,600	\$51,800	\$1,360.00 + 12%	\$13,600
\$51,800	\$82,500	\$5,944.00 + 22%	\$51,800
\$82,500	\$157,500	\$12,698.00 + 24%	\$82,500
\$157,500	\$200,000	\$30,698.00 + 32%	\$157,500
\$200,000	\$500,000	\$44,298.00 + 35%	\$200,000
\$500,000		\$149,298.00 + 37%	\$500,000
Estates and Trusts			
\$0	\$2,550	10%	\$0
\$2,550	\$9,150	\$255.00 + 24%	\$2,550
\$9,150	\$12,500	\$1,839.00 + 35%	\$9,150
\$12,500		\$3,011.50 + 37%	\$12,500

Corporations¹

- Corporations are taxed at a flat 21%.
- No special personal service corporation rate.
- Corporate Alternative Minimum Tax repealed.
- Higher capital gain tax obsolete.
- Section 179 depreciation up to \$1,000,000. Phaseout \$2,500,000.
- New temporary expensing for large companies.
- Like-kind exchanges limited to real property not held primarily for sale.
- Pass-through entity tax treatment - deductible amount is the lesser of:
 - (a) 20 percent of the taxpayer's qualified business income, or
 - (b) the greater of: (1) 50% of the W-2 wages, or (2) the sum of 25% of the W-2 wages and 2.5% of the unadjusted basis of all qualified property.
- Deduction phaseout for high earners in professional fields.
- Hedge fund carried interest holding period increased to 3 years.

EDUCATION INCENTIVE

Education Savings Accounts (Education IRAs) —\$2,000 Contribution Limit

Qualified withdrawals for K-12 expenses.

Qualified Tuition Programs (Section 529 plans)—Qualified distributions are tax-free and excluded from financial aid calculations. Expanded to include K-12 and can be rolled into 529 ABLE accounts for those with special needs.

Lifetime Learning Credit—Up to 20% of up to \$10,000 tuition paid, calculated per taxpayer. MAGI phase-out range:

- Married filing jointly \$114,000 – \$134,000
- Single \$57,000 – \$67,000

American Opportunity Tax Credit—100% on the first \$2,000 and 25% on the next \$2,000 of qualified tuition and related expenses. Up to 40% is refundable. MAGI phase-out range:

- Married filing jointly \$160,000 – \$180,000
- Single \$80,000 – \$90,000

Exclusion of U.S. Savings Bond Income for Taxpayers

Who Pay Qualified Higher Education Expenses

	MAGI Phase-Outs
Married, Filing Jointly	\$119,550 – \$149,550
Others	\$79,700 – \$94,700

Student Loan Interest—Maximum Itemized Deduction \$2,500

Married, Filing Jointly	\$135,000 – \$165,000
Others	\$65,000 – \$80,000

SOCIAL SECURITY

Base Amount of Modified AGI Causing Social Security Benefits to Be Taxable

	50% Taxable	85% Taxable
Married, Filing Jointly	\$32,000	\$44,000
Single	\$25,000	\$34,000

Maximum Earnings Before Social Security Benefits Are Reduced

	2018
If under full retirement age, lose \$1 for every \$2 earned	\$17,040
In the year of retirement, lose \$1 for every \$3 earned in months prior to full retirement	\$45,360
At full retirement age	No Limit

Maximum Compensation Subject to FICA Taxes

	2018
OASDI (Social Security) maximum	\$128,400
HI (Medicare) maximum	No Limit

OASDI tax rate: 12.4% self-employed, 6.2% employees, 6.2% employers. HI tax rate: 2.9% self-employed, 1.45% employees, 1.45% employers. For HI, additional 0.9% on total wages for household income over \$250,000 married filing jointly, \$125,000 married separately, and \$200,000 for others.

LONG-TERM CARE INSURANCE²

Maximum Qualified LTC Premium Eligible for Deduction

Age	40 or less	41 – 50	51 – 60	61 – 70	Over 70
2018	\$420	\$780	\$1,560	\$4,160	\$5,200

¹Personal, estate, and business pass-through tax changes all sunset 12/31/2025. Corporate changes are permanent. Estate, gift and GST tax exemptions, and federal credit are estimated amounts until the IRS computes using chained CPI.

²Qualified LTC contract per diem limit: \$360.