

# 2018 Annual Limits Relating to Financial Planning



AMERICAN RETIREMENT  
& Investment Strategies, LLC

## Traditional and Roth IRAs

Traditional, MyRA, and Roth IRA Contribution Limits	\$5,500
Traditional, MyRA, and Roth IRA Catch-up Contributions, Age 50+	\$1,000
IRA Deduction Phase-out for Active Participants	
Single	\$63,000 - \$73,000
Married Filing Jointly	\$101,000 - \$121,000
IRA Deduction Phase-out for Spousal Contributions	
Married Filing Jointly	\$189,000 - \$199,000
Roth IRA Contribution Phase-out	
Single	\$120,000 - \$135,000
Married Filing Jointly	\$189,000 - \$199,000

## Employer Retirement Plans

Elective deferrals for 401(k), 403(b), 457 and SAR-SEPs	\$18,500
401(k), 403(b), 457 and SAR-SEP Catch-Up Contribution	\$6,000
Defined Contribution Plan Limit	\$55,000
SEP IRA Contribution	\$55,000 up to 25%
Maximum Annual Defined Benefit Limit	\$220,000
SIMPLE IRA and SIMPLE 401 (k) Contribution	\$12,500
SIMPLE IRA and SIMPLE 401 (k) Catch-Up Contribution	\$3,000
SIMPLE Maximum Compensation (12,500 / 3%)	\$416,667
Maximum Includable Compensation	\$275,000
Highly Compensated Employee	\$120,000
Key Employee	> \$175,000
SEP Minimum Earnings Limit	\$600
IRS Mileage Rate (Business / Medical, Moving / Charitable purpose)	\$.545 / \$.18 / \$.14 per mile
Savers Credit (MAGI) [Maximum Credit is \$2,000 for couples, \$1,000 per individual]	
Joint (Max income \$63,000)	\$0 - \$38.5 K 50% Phase out 20%, 10% (up to \$63 K)
Single (Max income \$31,500)	\$0 - \$19 K 50% Phase out 20%, 10% (up to \$31.5 K)

## Education Funding Incentives

Coverdell Education Savings Account Annual Contribution Limit (Per Beneficiary)	\$2,000
Single	\$95,000 - \$110,000
Married filing jointly	\$190,000 - \$220,000
Phase outs of American Opportunity Tax Credit (Can be claimed for up to 4 years)	\$2,500 (\$2k 100%, next \$2k 25%)
Single	\$80,000 - \$90,000
Married filing jointly	\$160,000 - \$180,000
Phase out of exclusion for EE bonds (MAGI)	
Single	\$9,750 - \$97,750
Married filing jointly	\$119,550 - \$149,550
Phase outs of Lifetime Learning Tax Credits ( 20% of qualified expenses up to \$10k)	
Max. Credit \$2,000/return (Cannot take both credits in same year)	
Single	\$56,000 - \$66,000
Married filing jointly	\$112,000-\$132,000
Phase outs of Deductibility of Student Loan Interest (Maximum \$2,500)	
Married Filing Jointly	\$135,000 - \$170,000
Others	\$65,000 - \$80,000

*Compliments of your Financial Advisors – Joseph Grella CFP® and William D’Annibale  
For Information Purposes Only, seek tax advice from an independent tax advisor*

## Federal Estate and Gift Taxes

Annual Gift Tax Exclusion	\$15,000
Estate Tax Exclusion, Generation-Skipping Tax Exclusion, and Gift Tax Exclusion	\$11,210,000
Top Estate, Gift and GST Tax Rate	40% (Estate & Trusts Bene.)

## Federal Income Taxes

Personal exemption	Eliminated
Phase out of personal exemption	N/A
Standard Deduction	
Single or Married filing separately	\$12,000
Married filing jointly	\$24,000
Head of Household	\$18,000
Elderly or blind additional deduction	
Single / Married filing jointly	\$1,600 / \$1,300
Phase out of Itemized Deductions (Single/MFJ)	Eliminated
Kiddie Tax Standard Deduction (Under Age 19 or 24 if a full time student)	\$1,050, Next \$1,050 is Parent's Rate
Capital Gains Tax	
10% and 15% Brackets	STG Ordinary Rate, LTG 0%
25% to 35% Brackets	STG Ordinary Rate, LTG 15%
39.6% Bracket	STG Ordinary Rate, LTG 20%
Medicare Surtax	3.8% Income over \$200k (s)/\$250k (mfj)
Adoption Credit (maximum)	\$13,810 Phase-out \$207,140 - \$247,140
AMT Exemption	
Married Filing Jointly	\$109,400
Single	\$70,300

## Social Security

Taxable Wage Base (Soc. Sec. Maximum)	\$128,400
Social Security Tax Rate	
Old-Age, Survivors and Disability Insurance	12.40% Self-employed, 6.2% Employees
Hospital Insurance	2.9% Self-employed, 1.45% Employees
Medicare Surtax	0.9% Employees Income over \$200k (s)/\$250k (mfj)
Earnings limitations for Social Security Benefits	
Before Normal Retirement Age (\$1 in benefits withheld for every \$2 in earnings over limit)	\$17,040 (\$1,420/mn)
The Year the Individual Reaches Full Retirement Age (\$1 for every \$3 over limit)	\$45,360 (\$3,780/mn)
Income (in retirement) causing SS benefits to be taxed :	
Married Filing Jointly (50% / 85% Taxable)	\$32k MAGI / \$44k MAGI
Single (50% / 85%)	\$25k MAGI / \$34k MAGI
Cost of Living Adjustment	2.0%
Quarter of Coverage	\$1,320
Maximum benefit retiring at age 66	\$2,788/month [est. avg. benefit \$1404]

## Long Term Care Insurance & Health Savings Account (HSA)

Per Diem Daily Limit	\$360
Premium as a deductible medical expense limitation (Per person)	
Age 40 or under	\$420
Age 41 - 50	\$780
Age 51 - 60	\$1,560
Age 61 - 70	\$4,160
Age 71 or older	\$5,200
HSA Contribution Maximum (Age 55 to 64 there is a catch-up of \$1000 - per married individual)	\$3,450 (Single) \$6,900 (Family)

Compliments of your Financial Advisors –

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