

## TRADITIONAL AND ROTH IRAS

### Contribution Limits

	2016
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 2016		
• Married filing jointly: \$184,000 – \$194,000	• Married filing separately: \$0 – \$10,000	• Single: \$117,000 – \$132,000

No annual income limit for determining ability to convert traditional IRA to Roth IRA continues for 2016.

### Traditional IRA Deductibility Rules

Filing Status	Covered by Employer's Retirement Plan?	Modified AGI 2016	Deductibility
Single	No	Any amount	Full deduction
		\$61,000 or less	Full deduction
	Yes	\$61,001 – \$70,999	Partial deduction
		\$71,000 or more	No deduction
Married Filing Jointly	Neither Spouse Covered	Any amount	Full deduction
	Both Spouses Covered	\$98,000 or less	Full deduction
		\$98,001 – \$117,999	Partial deduction
		\$118,000 or more	No deduction
	One Spouse Covered for Covered Spouse	\$98,000 or less	Full deduction
		\$98,001 – \$117,999	Partial deduction
		\$118,000 or more	No deduction
\$184,000 or less		Full deduction	
One Spouse Covered for Non-Covered Spouse	\$184,001 – \$193,999	Partial deduction	
	\$194,000 or more	No deduction	

## QUALIFIED PLANS

	2016
Maximum elective deferral to retirement plans (e.g., 401(k), 403(b), and 457 plans, and SARSEPs)	\$18,000
Maximum elective deferral to SIMPLE 401(k) plans	\$12,500
Limit on annual additions to SEP plans	\$53,000
Annual compensation threshold requiring SEP contribution	\$600
Limit on annual additions to defined contribution plans	\$53,000
Maximum annual compensation taken into account for contributions	\$265,000
Annual benefit limit under defined benefit plans	\$210,000
Threshold amount for definition of highly compensated employee	\$120,000
Threshold amount for definition of key employee/officer in top-heavy plans	\$170,000

### Catch-Up Contribution Limits for Other Qualified Plan Types

	2016
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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# EASY REFERENCE TAX GUIDE 2016

## 2016 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%.

### Subtract Applicable Credit Below From Calculated Tax

Estate Tax	Exclusion Amount	Federal Credit	Gift Tax Exclusion
2016	\$5,450,000	\$2,125,800	\$5,450,000

### Other Estate and Gift Planning Items

	2016
Annual gift tax exclusion	\$14,000
Annual gift tax exclusion for non-U.S. citizen spouses	\$148,000
Generation-skipping tax (GST) exemption	\$5,450,000
IRC § 6166 2% limit for deferred estate tax payments	\$1,480,000
Special use valuation for qualified real property	\$1,110,000



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Personal Exemptions	Exemption	Phase-Out Begins	Phase-Out Ends
Single	\$4,050	\$259,400	\$381,900
Married, Filing Jointly	\$4,050	\$311,300	\$433,800
Married, Filing Separately	\$4,050	\$155,650	\$216,900
Head of Household	\$4,050	\$285,350	\$407,850

**Child Tax Credit:** \$1,000 per child phases out \$50 for each \$1,000 of modified AGI over \$110,000 (married filing jointly), or \$75,000 (single).

Standard Deductions	Year	Annual	Add'l Age 65 or Older, or Blind
Married, Filing Jointly	2016	\$12,600	\$1,250
Head of Household	2016	\$9,300	\$1,550
Single/Married, Filing Separately	2016	\$6,300	\$1,550

**Dependent Standard Deduction:** Greater of \$1,050 or \$350 + Earned Income.

Capital Gain Brackets	Short Term < 12 Months	Long Term > 12 Months
10%, 15%	ordinary rate	0%
25%, 28%, 33%, 35%	ordinary rate	15%
39.6%	ordinary rate	20%

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	\$53,900	\$186,300	\$119,700
Married, Filing Jointly	\$83,800	\$186,300	\$159,700
Married, Filing Separately	\$41,900	\$93,150	\$79,850
Trusts	\$23,900	\$186,300	\$79,850

Kiddie Tax	2016	Tax Rate
First	\$1,050	No Tax
Next	\$1,050	10%
Amounts over	\$2,100	Parent's Rate

Limitation on Itemized Deductions	
Single	\$259,400
Married, Filing Jointly	\$311,300
Married, Filing Separately	\$155,650
Head of Household	\$285,350

Earned Income Credit	None	One	Two	3 or More
Earned Income	\$6,610	\$9,920	\$13,930	\$13,930
Maximum Credit	\$506	\$3,373	\$5,572	\$6,269
Begin Phaseout: Single	\$8,270	\$18,190	\$18,190	\$18,190
Begin Phaseout: Joint	\$13,820	\$23,740	\$23,740	\$23,740

States With Estate or Inheritance Taxes
CT, DC, DE, HI, IL, IA, KY, ME, MD, MA, MN, NE, NJ, NY, OR, NC, PA, RI, VT, WA.

## INCOME TAX 2016

If Taxable Income Is:

Over	But Not Over	The Tax Is	Of the Amount Over
<b>Married, Filing Jointly and Surviving Spouses</b>			
\$0	\$18,550	10%	\$0
\$18,550	\$75,300	\$1,855.00 + 15%	\$18,550
\$75,300	\$151,900	\$10,367.50 + 25%	\$75,300
\$151,900	\$231,450	\$29,517.50 + 28%	\$151,900
\$231,450	\$413,350	\$51,791.50 + 33%	\$231,450
\$413,350	\$466,950	\$111,818.50 + 35%	\$413,350
\$466,950		\$130,578.50 + 39.60%	\$466,950
<b>Unmarried Individual</b>			
\$0	\$9,275	10%	\$0
\$9,275	\$37,650	\$927.50 + 15%	\$9,275
\$37,650	\$91,150	\$5,183.75 + 25%	\$37,650
\$91,150	\$190,150	\$18,558.75 + 28%	\$91,150
\$190,150	\$413,350	\$46,278.75 + 33%	\$190,150
\$413,350	\$415,050	\$119,934.75 + 35%	\$413,350
\$415,050		\$120,529.75 + 39.60%	\$415,050
<b>Married Individual Filing Separately</b>			
\$0	\$9,275	10%	\$0
\$9,275	\$37,650	\$927.50 + 15%	\$9,275
\$37,650	\$75,950	\$5,183.75 + 25%	\$37,650
\$75,950	\$115,725	\$14,758.75 + 28%	\$75,950
\$115,725	\$206,675	\$25,895.75 + 33%	\$115,725
\$206,675	\$233,475	\$55,909.25 + 35%	\$206,675
\$233,475		\$65,289.25 + 39.60%	\$233,475
<b>Head of Household</b>			
\$0	\$13,250	10%	\$0
\$13,250	\$50,400	\$1,325.00 + 15%	\$13,250
\$50,400	\$130,150	\$6,879.50 + 25%	\$50,400
\$130,150	\$210,800	\$26,835.00 + 28%	\$130,150
\$210,800	\$413,350	\$49,417.00 + 33%	\$210,800
\$413,350	\$441,000	\$116,258.50 + 35%	\$413,350
\$441,000		\$125,936.00 + 39.60%	\$441,000
<b>Estates and Trusts:</b>			
\$0	\$2,550	15%	\$0
\$2,550	\$5,950	\$382.50 + 25%	\$2,550
\$5,950	\$9,050	\$1,232.50 + 28%	\$5,950
\$9,050	\$12,400	\$2,100.50 + 33%	\$9,050
\$12,400		\$3,206.00 + 39.60%	\$12,400

Corporations <sup>1</sup>		
Taxable Income Over	Not Over	Tax Rate
\$0	\$50,000	15%
\$50,000	\$75,000	25%
\$75,000	\$100,000	34%
\$100,000	\$335,000	39%
\$335,000	\$10,000,000	34%
\$10,000,000	\$15,000,000	35%
\$15,000,000	\$18,333,333	38%
\$18,333,333	—	35%

<sup>1</sup>Qualified personal service corporations are taxed at a flat 35% of taxable income.

## EDUCATION INCENTIVE

**Education Savings Accounts (Education IRAs)**—\$2,000 Contribution Limit  
Qualified withdrawals for K-12 expenses.

**Qualified Tuition Programs (Section 529 plans)**—Distributions after 12/31/2001 used for qualified higher education expenses are income tax free.

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

- Married filing jointly \$111,000 – \$131,000
- Single \$55,000 – \$65,000

**American Opportunity Tax Credit**—Extended through 2017. MAGI phase-out range:

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

**Hope Scholarship Credit**—MAGI phase-out range:

- Married filing jointly \$111,000 – \$131,000
- Single \$55,000 – \$65,000

**Exclusion of U.S. Savings Bond Income**

Who Pay Qualified Higher Education Expenses	MAGI Phase-Outs
Married, Filing Jointly	\$116,300 – \$146,300
Others	\$77,550 – \$92,550

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

MAGI Phase-Outs	2016
Married, Filing Jointly	\$130,000 – \$160,000
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**

	2016
If under full retirement age, lose \$1 for every \$2 earned	\$15,720
In the year of retirement, lose \$1 for every \$3 earned in months prior to full retirement	\$41,880
<b>At full retirement age</b>	<b>No Limit</b>

**Maximum Compensation Subject to FICA Taxes**

	2016
OASDI (Social Security) maximum	\$118,500
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 INSURANCE

**Maximum Qualified LTC Premium Eligible for Deduction**

Age	40 or less	41–50	51–60	61–70	Over 70
2016	\$390	\$730	\$1,460	\$3,900	\$4,870

<sup>2</sup>Qualified LTC contract per diem limit: \$340.