

Key Numbers 2018

Presented by Nancy J. LaPointe

Individual Income Tax	
Unmarried Individual (other than Surviving Spouse and Head of Household)	
If taxable income is:	The tax is:
\$9,525 or less	10% of taxable income
Over \$9,525 to \$38,700	\$952.50 + 15% of excess over \$9,525
Over \$38,700 to \$93,700	\$5,328.75 + 25% of excess over \$38,700
Over \$93,700 to \$195,450	\$19,078.75 + 28% of excess over \$93,700
Over \$195,450 to \$424,950	\$47,568.75 + 33% of excess over \$195,450
Over \$424,950 to \$426,700	\$123,303.75 + 35% of excess over \$424,950
Over \$426,700	\$123,916.25 + 39.6% of excess over \$426,700
Married Filing Jointly and Surviving Spouse	
If taxable income is:	The tax is:
\$19,050 or less	10% of taxable income
Over \$19,050 to \$77,400	\$1,905 + 15% of excess over \$19,050
Over \$77,400 to \$156,150	\$10,657.50 + 25% of excess over \$77,400
Over \$156,150 to \$237,950	\$30,345 + 28% of excess over \$156,150
Over \$237,950 to \$424,950	\$ 53,249 + 33% of excess over \$237,950
Over \$424,950 to \$480,050	\$114,959 + 35% of excess over \$424,950
Over \$480,050	\$134,244 + 39.6% of excess over \$480,050
Married Filing Separately	
If taxable income is:	The tax is:
\$ 9,525 or less	10% of taxable income
Over \$9,525 to \$38,700	\$952.50 + 15% of excess over \$9,525
Over \$38,700 to \$78,075	\$5,328.75 + 25% of excess over \$38,700
Over \$78,075 to \$118,975	\$15,172.50 + 28% of excess over \$78,075
Over \$118,975 to \$212,475	\$26,624.50 + 33% of excess over \$118,975
Over \$212,475 to \$240,025	\$57,479.50 + 35% of excess over \$212,475
Over \$240,025	\$67,122 + 39.6% of excess over \$240,025
Head of Household	
If taxable income is:	The tax is:
\$13,600 or less	10% of taxable income
Over \$13,600 to \$51,850	\$1,360 + 15% of excess over \$13,600
Over \$51,850 to \$133,850	\$7,097.50 + 25% of excess over \$51,850
Over \$133,850 to \$216,700	\$27,597.50 + 28% of excess over \$133,850
Over \$216,700 to \$424,950	\$50,795.50 + 33% of excess over \$216,700
Over \$424,950 to \$453,350	\$119,518 + 35% of excess over \$424,950
Over \$453,350	\$129,458 + 39.6% of excess over \$453,950

Trusts and Estates	
If taxable income is:	The tax is:
\$2,600 or less	15% of taxable income
Over \$2,600 to \$6,100	\$390 + 25% of excess over \$2,600
Over \$6,100 to \$9,300	\$1,265 + 28% of excess over \$6,100
Over \$9,300 to \$12,700	\$2,161 + 33% of excess over \$9,300
Over \$12,700	\$3,283 + 39.6% of excess over \$12,700

Standard Deductions			
Married Filing Jointly and Surviving Spouse	\$13,000	Married Filing Separately	\$6,500
Single	\$6,500	Head of Household	\$9,550
Married 65 or Older or Blind	\$1,300 additional	Single 65 or Older or Blind	\$1,600 additional
Dependent	Greater of \$1,050 or \$350 + earned income		

Kiddie Tax
Applies to unearned income over \$2,100 for children under 18 (and full-time students between ages 19 and 24 whose earned income does not exceed half of their support for the year). The first \$1,050 is tax free, and the next \$1,050 is taxed at the child's rate.

Itemized Deduction (Pease) Limitation			
Married Filing Jointly and Surviving Spouse	\$320,000	Married Filing Separately	\$160,000
Single	\$266,700	Head of Household	\$293,350

Personal Exemption		
\$4,150		
Phaseout	Beginning (AGI)	Completed (AGI)
Married Filing Jointly and Surviving Spouse	\$320,000	\$442,500
Married Filing Separately	\$160,000	\$221,250
Single	\$266,700	\$389,200
Head of Household	\$293,350	\$415,850

AMT			
	Exemption	Phaseout	Start of 28% Tax Bracket
Married Filing Jointly and Surviving Spouses	\$86,200	\$164,100	\$191,500
Married Filing Separately	\$43,100	\$82,050	\$95,750
Single	\$55,400	\$123,100	\$191,500
Head of Household	\$55,400	\$123,100	\$191,500
Estates and Trusts	\$24,600	\$82,050	\$191,500

Long-Term Capital Gains and Qualified Dividend Tax			
Gain or dividend in the 39.6% tax bracket		20%*	
Gain or dividend between the 15% and 39.6% tax brackets		15%*	
Gain or dividend in the 15% or lower tax brackets		0%	
*Additional 3.8% unearned income Medicare contribution tax applies to the lesser of net investment income or MAGI above the following thresholds:			
Married Filing Jointly	\$250,000	Married Filing Separately	\$125,000
Single	\$200,000	Head of Household	\$200,000

Health Insurance Coverage Penalty	
Penalty for not maintaining minimum essential health coverage	\$695

Health Savings Accounts (HSA) Maximum Contribution Limits	
Self-Only Coverage	If under age 55: \$3,450; if age 55–65: \$4,450
Family Coverage	If under age 55: \$6,900; if age 55–65: \$7,900

Retirement Plan Limits	
401(k), SAR-SEP, Sec. 457(b), 403(b) Elective Deferral Limit	\$18,500
Age 50+ Catch-Up for 401(k), SAR-SEP, 457(b), 403(b)	\$6,000
SIMPLE Elective Deferral Limit	\$12,500
Age 50+ Catch-Up for SIMPLE IRA	\$3,000
Traditional and Roth IRA Contributions	\$5,500
Age 50+ Catch-Up for IRA and Roth IRA	\$1,000
Section 415 Limit (Defined Contribution Plan)	\$55,000
Defined Benefit Plan Benefit Limit	\$220,000
Annual Compensation Limit for QRP, SEP, and 403(b)	\$275,000
Highly Compensated Definition	\$120,000
Control Employee	\$110,000
Key Employee in Top-Heavy Plan Definition	\$175,000

IRA Deduction Phaseout for Active Participants		
Filing Status	Starting At	Fully Phased Out At
Single or Head of Household	\$63,000	\$73,000
Married Filing Jointly or Qualifying Widow(er)	\$101,000	\$121,000
Married Filing Jointly and Spouse Is Active Participant in an Employer Plan	\$189,000	\$199,000
Married Filing Separately and Either Spouse Is Active Participant in an Employer Plan	\$0	\$10,000

Roth Contribution Income Limits		
Filing Status	Starting At	Fully Phased Out At
Single	\$120,000	\$135,000
Married Filing Jointly	\$189,000	\$199,000
Married Filing Separately	\$0	\$10,000

Business Health Insurance	
Health Insurance Premium Deduction for Self-Employed	100%
Limit on Employee Health Insurance Credit for Small Employers	\$26,700

Education Planning	
U.S. Savings Bond Income Exclusion Phaseout	Modified AGI \$119,500 to \$149,550 (joint) Modified AGI \$79,700 to \$94,700 (others)
Coverdell Education Savings Account (Education IRAs) Annual Contribution Limit	\$2,000
Coverdell Education Savings Account Phaseout	Modified AGI \$190,000 to \$220,000 (joint) Modified AGI \$95,000 to \$110,000 (others)
\$2,500 American Opportunity Tax (HOPE) Credit Phaseout	Modified AGI \$160,000 to \$180,000 (joint) Modified AGI \$80,000 to \$90,000 (others)
\$2,000 Lifetime Learning Credit Phaseout	Modified AGI in excess of \$114,000 (joint) Modified AGI in excess of \$57,000 (others)
Phaseout of \$2,500 Interest Deduction on Education Loans	Modified AGI \$135,000 to \$165,000 (joint) Modified AGI \$65,000 to \$80,000 (others)
2017–2018 Tuition and Fees Increase at 4-Year College	Public College: 3.1% in-state student; 3.2% out-of-state student Private College: 3.6%
2017–2018 Room and Board Increase at 4-Year College	Public College: 3.1% in-state student; 3.1% out-of-state student Private College: 3%
2017–2018 Total Average Yearly Cost at 4-Year College	\$20,770 public in-state; \$36,420 public out-of-state; \$46,950 private

Federal Estate and Gift Tax	
Annual Gift Tax Exclusion per Donee	\$15,000
Annual Gift Exclusion to Non-U.S.-Citizen Spouse	\$152,000
Estate Tax Exemption	\$5,600,000
Lifetime Gift Tax Exemption	\$5,600,000
Generation-Skipping Transfer Tax Exemption	\$5,600,000
Special Use (Section 2032A) Valuation Reduction	\$1,140,000

Long-Term Care Premium Deductions	
Qualified LTC Insurance Deductions: Subject to 10% of AGI medical expense floor	
Age	Limit
40 or under	\$420
41–50	\$780
51–60	\$1,560
61–70	\$4,160
71 and over	\$5,200

Please note: Indemnity policy benefit payments that exceed the higher of the cost of long-term care or \$360 per day will be taxed as income.

Medicaid	
Community Spouse Resource Allowance	\$24,180 minimum; \$120,900 maximum
Monthly Maintenance Allowance	\$2,002.50 minimum; \$2,788 maximum
Home Equity Limit	\$560,000 (State can opt to increase to \$840,000.)
"Income Cap" State Income Limit (single applicant)	\$2,250

Social Security	
CPI Increase in Benefits	2%
Maximum Monthly Benefit at Full Retirement	\$2,788/month
Retirement Earnings Exempt Amount Under FRA	\$17,040; \$1 withheld for every \$2 earned above this amount
Retirement Earnings Exempt Amount Year of FRA	\$45,360; \$1 withheld for every \$3 earned above this amount

Medicare	
Medicare Part A (if applicable) Monthly Premium	\$422 for fewer than 30 quarters of coverage \$232 for between 30 and 39 quarters of coverage
Medicare Part A Deductible and Coinsurance	\$1,340 for 1–60 days An additional \$335 for 61–90 days \$670 for 91–150 days All costs > 150 days
Medicare Part A Deductible for Skilled Nursing Facility in a Benefit Period	\$167.50 per day (21–100 days)
Medicare Part B Deductible	\$183 per year

Medicare Premium			
		Individual Filer	Married Filing Jointly
Medicare Part B Monthly Premium *Some Medicare beneficiaries may pay less if certain conditions are met.	\$134.00*	\$85,000 or less	\$170,000 or less
	\$187.50	\$85,001–\$107,000	\$170,001–\$214,000
	\$267.90	\$107,001–\$133,500	\$214,001–\$267,000
	\$348.30	\$133,501–\$160,000	\$267,001–\$320,000
	\$428.60	Above \$160,000	Above \$320,000
Medicare Part D Deductible	No more than \$405		
Medicare Part D Monthly Premium Surcharge	(no surcharge)	\$85,000 or less	\$170,000 or less
	\$13.00	\$85,001–\$107,000	\$170,001–\$214,000
	\$33.60	\$107,001–\$133,500	\$214,001–\$267,000
	\$54.20	\$133,501–\$160,000	\$267,001–\$320,000
	\$74.80	Above \$160,000	Above \$320,000

***Please note:** Medicare premiums are based on MAGI from two years prior to the current premium year.

Payroll Taxes		
	Employee	Self-Employed
Social Security Tax	6.2%	12.4%
Social Security Wage Base	\$128,700	
Medicare Tax	1.45%	2.9%
Additional Medicare Tax	0.9% on earnings above the following thresholds:	
Single or Head of Household	\$200,000	
Married Filing Jointly	\$250,000	
Married Filing Separately	\$125,000	

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