

Tax Brackets for 2016

Taxable income (i.e., income minus deductions and exemptions) between:

Married, joint	
\$0 – \$18,550	10%
\$18,551 – \$75,300	15%
\$75,301 – \$151,900	25%
\$151,901 – \$231,450	28%
\$231,451 – \$413,350	33%
\$413,351 – \$466,950	35%
over \$466,950	39.6%

Single	
\$0 – \$9,275	10%
\$9,276 – \$37,650	15%
\$37,651 – \$91,150	25%
\$91,151 – \$190,150	28%
\$190,151 – \$413,350	33%
\$413,351 – \$415,050	35%
over \$415,050	39.6%

Married, separate	
\$0 – \$9,275	10%
\$9,276 – \$37,650	15%
\$37,651 – \$75,950	25%
\$75,951 – \$115,725	28%
\$115,726 – \$206,675	33%
\$206,676 – \$233,475	35%
over \$233,475	39.6%

Head of Household	
\$0 – \$13,250	10%
\$13,251 – \$50,400	15%
\$50,401 – \$130,150	25%
\$130,151 – \$210,800	28%
\$210,801 – \$413,350	33%
\$413,351 – \$441,000	35%
over \$441,000	39.6%

Estates and Trusts	
\$0 – \$2,550	15%
\$2,551 – \$5,950	25%
\$5,951 – \$9,050	28%
\$9,051 – \$12,400	33%
over \$12,400	39.6%

Corporations	
\$0 – \$50,000	15%
\$50,001 – \$75,000	25%
\$75,001 – \$100,000	34%
\$100,001 – \$335,000	39%
\$335,001 – \$18,333,333	34 – 38%
over \$18,333,333	35%

Standard Deduction

Married, joint	\$12,600
Single	\$6,300
Married, separate	\$6,300
Head of Household	\$9,300

Blind or over 65: add \$1,250 if married, \$1,550 if single or head of household

Itemized Deduction Personal Exemption Phaseout Begins

Married, joint	\$311,300
Single	\$259,400
Married, separate	\$155,650
Head of Household	\$285,350

Personal Exemption	\$4,050
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Kiddie Tax Exemption	\$2,100
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Alternative Minimum Tax Exemption Amount

Married, joint	\$83,800
Single, HOH ³	\$53,900
Married, separate	\$41,900

Long-Term Capital Gains and Qualified Dividend Rates

10% and 15% brackets	0%
25%, 28%, 33% and 35% brackets	15%
39.6% bracket	20%

Capital gains on collectibles	28%
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Unrecaptured 1250 depreciation	25%
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IRA and Pension Plan Limits

IRA contribution	
Under age 50	\$5,500
Age 50 and over	\$6,500

Phaseout for deducting IRA contribution

Married, joint	\$98,000 – \$118,000 AGI
Single, HOH ³	\$61,000 – \$71,000 AGI
Married, separate	\$0 – \$10,000 AGI

Phaseout for deducting spousal IRA	
	\$184,000 – \$194,000 AGI

Phaseout of Roth contribution eligibility

Married, joint	\$184,000 – \$194,000 MAGI
Single, HOH ³	\$117,000 – \$132,000 MAGI
Married, separate	\$0 – \$10,000 MAGI

SEP contribution	
	Lesser of 25% of compensation or \$53,000

Compensation to participate in SEP	\$600
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SIMPLE elective deferral	
Under age 50	\$12,500
Age 50 and over	\$15,500

401(k), 403(b) ⁴ , 457 ⁵ and SARSEP elective deferral under age 50	\$18,000
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401(k), 403(b) ⁴ , 457 ⁵ and SARSEP elective deferral age 50 and over	\$24,000
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Annual defined contribution limit	\$53,000
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Annual defined benefit limit	\$210,000
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Highly compensated employee makes	\$120,000
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Key Employee in top-heavy plan makes	\$170,000
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Annual compensation taken into account for qualified plans	
	\$265,000

Retirement Tax Credit

A percentage tax credit for an IRA, 401(k), 403(b)⁴ or 457⁵ plan contribution, in addition to deduction or exclusion, if

Married, joint	Below \$61,500 MAGI
Head of Household	Below \$46,125 MAGI
Single; Married, separate	Below \$30,750 MAGI

Gift and Estate Tax

Gift tax annual exclusion	\$14,000
Estate and gift tax rate	40%
Estate tax exemption	\$5,450,000
Lifetime gift exemption	\$5,450,000
GST ⁶ exemption	\$5,450,000
Annual exclusion for gifts to noncitizen spouse	\$148,000

Additional Medicare Tax Where Income Exceeds \$200,000 (\$250,000 married, joint)

Additional tax on excess of earned income ¹	0.9%
Additional tax on Net Investment Income ²	3.8%

Health Care

Eligible Long-Term Care	Deduction Limit
Age 40 or less	\$390
Age 41 to 50	\$730
Age 51 to 60	\$1,460
Age 61 to 70	\$3,900
Ages over 70	\$4,870

Per Diem Limitation for LTC Benefits	\$340
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Affordable Care Act: Monthly penalty for failure to maintain minimum essential coverage: One-twelfth of greater of a) flat dollar amount or b) percentage of income.

2014	\$95	1.0%
2015	\$325	2.0%
2016	\$695	2.5%

Household maximum is 3 times the flat dollar amount. Income is household income reduced by standard deductions and personal exemptions.

Education

Coverdell Education Savings Account	\$2,000
Coverdell contribution eligibility phaseout	
Married, joint	\$190,000 – \$220,000
All others	\$95,000 – \$110,000

Student loan interest deduction limit	\$2,500
Interest deduction phaseout	
Married, joint	\$130,000 – \$160,000 MAGI
All others	\$65,000 – \$80,000 MAGI

Phaseout of Lifetime Learning Credits	
Married, joint	\$111,000 – \$131,000
All others	\$55,000 – \$65,000

Tax-free savings bonds interest phaseout	
Married, joint	\$116,300 – \$146,300 MAGI
All others	\$77,550 – \$92,550 MAGI

- Total Employee Medicare Tax is 1.45% + 0.9% = 2.35%
- Including interest, dividends, capital gains, and annuity distributions
- Head of Household
- Special increased limit may apply to certain 403(b) contributors with 15 or more years of service
- In last 3 years prior to year of retirement, 457 plan participants may be able to double elective deferral if needed to catch-up on prior missed contributions, but if they do, they cannot use catch-up
- Generation Skipping Transfer

2016 TAX REFERENCE GUIDE

Social Security⁷

Maximum wage base	\$118,500
Amount needed to earn one credit	\$1,260
Amount needed to earn four credits	\$5,040
Full retirement age	66 years, 0 months
Social Security Tax Rates	
Employee	7.65%
Employer	7.65%
Self-Employed	15.30%
Maximum monthly retirement	
Benefit at full retirement age	\$2,639
Family maximum	\$3,958
Cost of Living Adjustment	0.0%
Maximum earnings (during work years) subject to tax	\$118,500

Income⁸ (in retirement) causing Social Security benefits to be taxable

Married, joint	
50% taxable	\$32,000 – \$44,000 MAGI
85% taxable	Over \$44,000 MAGI
Single	
50% taxable	\$25,000 – \$34,000 MAGI
85% taxable	Over \$34,000 MAGI

Loss of Social Security retirement benefits:

In years prior to full retirement age, \$1 in benefits will be lost for every \$2 of earnings in excess of \$15,720. In the year of full retirement age, \$1 in benefits will be lost for every \$3 of earnings in excess of \$41,880 (applies only to months of earnings prior to full retirement age). There is no limit on earnings beginning the month an individual attains full retirement age.

Average monthly benefit (December 2014)⁹

Average monthly retirement benefit	
Men	\$1,488
Women	\$1,167
Average monthly survivor benefit	
Men	\$1,114
Women	\$1,280

7 Source: Social Security Administration, www.ssa.gov 10/22/2015.

8 Income is most income including muni bond interest but only 1/2 of Social Security.

9 Source: Fast Facts and Figures about Social Security, 2015.

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Uniform Lifetime Table

Use to calculate Required Minimum Distributions from IRAs and qualified plans **during** owner's life. Do not use this table if owner has spousal beneficiary more than 10 years younger. Instead use Joint Life Table from IRS Pub. 590.

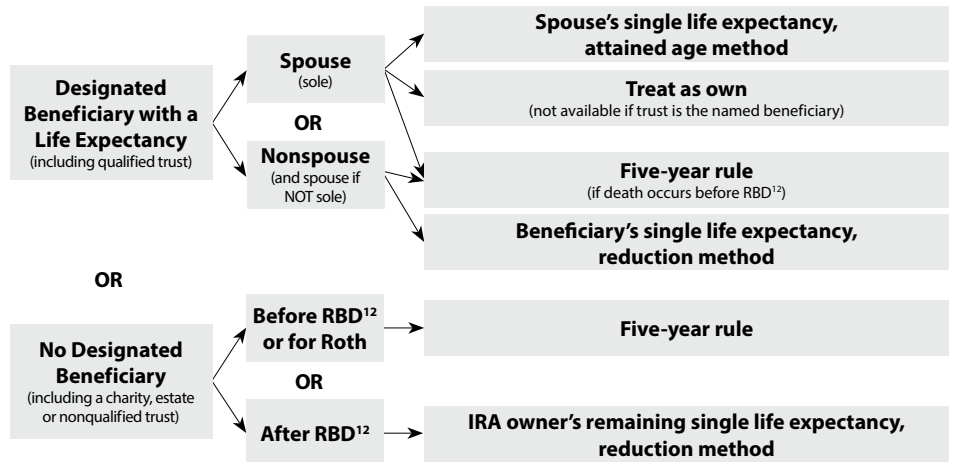
Taxpayer's Age	Life Expectancy	Taxpayer's Age	Life Expectancy
70	27.4	93	9.6
71	26.5	94	9.1
72	25.6	95	8.6
73	24.7	96	8.1
74	23.8	97	7.6
75	22.9	98	7.1
76	22.0	99	6.7
77	21.2	100	6.3
78	20.3	101	5.9
79	19.5	102	5.5
80	18.7	103	5.2
81	17.9	104	4.9
82	17.1	105	4.5
83	16.3	106	4.2
84	15.5	107	3.9
85	14.8	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+	1.9

Single Life Table

Use to calculate Minimum Required Distributions from IRAs and qualified plans **after** owner's death. See IRS Pub. 590 for complete table of ages 0 through 111+.

Age	Multiple	Age	Multiple
39	44.6	64	21.8
40	43.6	65	21.0
41	42.7	66	20.2
42	41.7	67	19.4
43	40.7	68	18.6
44	39.8	69	17.8
45	38.8	70	17.0
46	37.9	71	16.3
47	37.0	72	15.5
48	36.0	73	14.8
49	35.1	74	14.1
50	34.2	75	13.4
51	33.3	76	12.7
52	32.3	77	12.1
53	31.4	78	11.4
54	30.5	79	10.8
55	29.6	80	10.2
56	28.7	81	9.7
57	27.9	82	9.1
58	27.0	83	8.6
59	26.1	84	8.1
60	25.2	85	7.6
61	24.4	86	7.1
62	23.5	87	6.7
63	22.7	88	6.3

IRA Beneficiary Options



*RBD defined as "Required Beginning Date" (April 1 following the year a Traditional IRA or Simple IRA holder reached age 70½).

