

The AMERICAN RETIREMENT ADVISOR
A guidepost to your successful retirement.



***Retirement Planning Facts
Tax Year 2016***

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Retirement Planning Facts

2016

2016 Tax Rate Schedule				
Taxable income (\$)	Base amount of tax (\$)	Plus	Marginal tax rate	Of the amount over (\$)
Single				
0 to 9,275		+	10.0	
9,276 to 37,650	927.50	+	15.0	9,275.00
37,651 to 91,150	5,183.75	+	25.0	37,650.00
91,151 to 190,150	18,558.75	+	28.0	91,150.00
190,151 to 413,350	46,278.75	+	33.0	190,150.00
413,351 to 415,050	119,934.75	+	35.0	413,350.00
Over 415,050	120,529.75	+	39.6	415,050.00
Married filing jointly and surviving spouses				
0 to 18,550		+	10.0	
18,551 to 75,300	1,855.00	+	15.0	18,550.00
75,301 to 151,900	10,367.50	+	25.0	75,300.00
151,901 to 231,450	29,517.50	+	28.0	151,900.00
231,451 to 413,350	51,791.50	+	33.0	231,450.00
413,351 to 466,950	111,818.50	+	35.0	413,350.00
Over 466,950	130,578.50	+	39.6	466,950.00
Head of household				
0 to 13,250		+	10.0	
13,251 to 50,400	1,325.00	+	15.0	13,250.00
50,401 to 130,150	6,897.50	+	25.0	50,400.00
130,151 to 210,800	26,835.00	+	28.0	130,150.00
210,801 to 413,350	49,417.00	+	33.0	210,800.00
413,351 to 441,000	116,258.50	+	35.0	413,350.00
Over 441,000	125,936.00	+	39.6	441,000.00
Married filing separately				
0 to 9,275		+	10.0	
9,276 to 37,650	927.50	+	15.0	9,275.00
37,651 to 75,950	5,183.75	+	25.0	37,650.00
75,951 to 115,725	14,758.75	+	28.0	75,950.00
115,726 to 206,675	25,895.75	+	33.0	115,725.00
206,676 to 233,475	55,909.25	+	35.0	206,675.00
Over 233,475	65,289.25	+	39.6	233,475.00
Estates and trusts				
0 to 2,550		+	15.0	
2,551 to 5,950	382.50	+	25.0	2,550.00
5,951 to 9,050	1,232.50	+	28.0	5,950.00
9,051 to 12,400	2,100.50	+	33.0	9,050.00
Over 12,400	3,206.00	+	39.6	12,400.00

Standard Deductions & Personal Exemption			
Filing status	Standard deduction	Personal exemption	Phaseouts begin at AGI of:
Married, filing jointly and qualifying widow(ers)	\$12,600	\$4,050	\$311,300
Single	\$6,300	\$4,050	\$259,400
Married, filing separately	\$6,300	\$4,050	\$155,650
Head of household	\$9,300	\$4,050	\$285,350
Dependent filing own tax return	\$1,050**	None	
Additional deductions for non-itemizers			
Blind or over 65			Add \$1,250
Blind or over 65 and unmarried or not a surviving spouse			Add \$1,550

Tax Rates on Long-Term Capital Gains and Qualified Dividends	
If taxable income falls below the 25% tax bracket	0%
If taxable income falls at or above the 25% tax bracket but below the 39.6% rate	15%
If income falls in the 39.6% tax bracket	20%

3.8% Tax on Lesser of Net Investment Income or Excess of MAGI Over	
Married, filing jointly	\$250,000
Single	\$200,000
Married, filing separately	\$125,000

Exemption Amounts for Alternative Minimum Tax	
Married, filing jointly or surviving spouses	\$83,800
Single	\$53,900
Married, filing separately	\$41,900
Estates and trusts	\$23,900
28% tax rate applies to income over:	
Married, filing separately	\$93,150
All others	\$186,300
Exemption amounts phase out at:	
Married, filing jointly or surviving spouses	\$159,700
Single	\$119,700
Married, filing separately and estates and trusts	\$79,850

Gift and Estate Tax Exclusions and Credits	
Maximum estate, gift & GST rates	40%
Estate, gift & GST exclusions	\$5,450,000
Gift tax annual exclusion	\$14,000
Exclusion on gifts to non-citizen spouse	\$148,000

Education Credits & Deductions		
Credit/Deduction/Account	Maximum credit/deduction	Income phaseouts begin at AGI of:
American Opportunity Tax Credit/Hope	\$2,500 credit	\$160,000 joint \$80,000 all others
Lifetime learning credit	\$2,000 credit	\$111,000 joint \$55,000 all others
Savings bond interest tax-free if used for education	Deduction limited to amount of qualified expenses	\$116,300 joint \$77,550 all others
Coverdell	\$2,000 maximum; not deductible	\$190,000 joint \$95,000 all others

Tax Deadlines	
January 15 – 4th installment of the previous year's estimated taxes due	
April 18 (April 19 in ME & MA) – Tax filing deadline, or request extension to Oct. 17. 1st installment of 2016 taxes due. Last day to file amended return for 2012. Last day to contribute to: Roth or traditional IRA for 2015; HSA for 2015; Keogh or SEP for 2015 (unless tax filing deadline has been extended).	
June 15 – 2nd installment of estimated taxes due	
September 15 – 3rd installment of estimated taxes due	
October 17 – Tax returns due for those who requested an extension. Last day to recharacterize a converted IRA from 2015 if extension was filed or tax return was filed by April 18; last day to contribute to SEP or Keogh for 2015 if extension was filed.	
December 31 – Last day to: 1) pay expenses for itemized deductions; 2) complete transactions for capital gains or losses; 3) establish a Keogh plan for 2016; 4) establish and fund a solo 401(k) for 2016; 5) complete 2016 contributions to employer-sponsored 401(k) plans; 6) correct excess contributions to IRAs and qualified plans to avoid penalty.	

** Greater of \$1,050 or \$350 plus the individual's earned income.



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Retirement Plan Contribution Limits	
Annual compensation used to determine contribution for most plans	\$265,000
Defined-contribution plans, basic limit	\$53,000
Defined-benefit plans, basic limit	\$210,000
401(k), 403(b), 457(b), Roth 401(k) plans elective deferrals	\$18,000
Catch-up provision for individuals 50 and over, 401(k), 403(b), 457(b), Roth 401(k) plans	\$6,000
SIMPLE plans, elective deferral limit	\$12,500
SIMPLE plans, catch-up contribution for individuals 50 and over	\$3,000

Individual Retirement Accounts			
IRA type	Contribution limit	Catch-up at 50+	Income limits
Traditional nondeductible	\$5,500	\$1,000	None
Traditional deductible	\$5,500	\$1,000	If covered by a plan: \$98,000-\$118,000 joint \$61,000-\$71,000 single, HOH 0-\$10,000 married filing separately If one spouse is covered by a plan: \$184,000-\$194,000 joint
Roth	\$5,500	\$1,000	\$184,000-\$194,000 joint \$117,000-\$132,000 single & HOH 0-\$10,000 married filing separately and active participant in a plan
MyRA	\$5,500	\$1,000	<\$132,000 single <\$194,000 joint
Roth conversion			No income limit

Health Savings Accounts			
Annual limit	Maximum deductible contribution	Expense limits (deductibles and co-pays)	Minimum annual deductible
Individuals	\$3,350	\$6,550	\$1,300
Families	\$6,750	\$13,100	\$2,600
Catch-up for 55 and older	\$1,000		

Deductibility of Long-Term Care Premiums on Qualified Policies	
Attained age before close of tax year	Amount of LTC premiums that qualify as medical expenses in 2016
40 or less	\$390
41 to 50	\$730
51 to 60	\$1,460
61 to 70	\$3,900
Over 70	\$4,870

Medicare Deductibles	
Part B deductible	\$166.00
Part A (inpatient services) deductible for first 60 days of hospitalization	\$1,288.00
Part A deductible for days 61-90 of hospitalization	\$322/day
Part A deductible for more than 90 days of hospitalization	\$644/day

Social Security		
Benefits		
Full retirement age (FRA) if born between 1943 and 1954	66	
Estimated maximum monthly benefit	\$2,639	
Retirement earnings exempt amounts	\$15,720 under FRA \$41,880 during year reach FRA No limit after FRA	
Tax on Social Security benefits: income brackets		
Filing status	AGI plus provisional income*	Amount of Social Security subject to tax
Married filing jointly	Under \$32,000 \$32,000-\$44,000 Over \$44,000	0 upto 50% upto 85%
Single, head of household, qualifying widow(er), married filing separately and living apart from spouse	Under \$25,000 \$25,000-\$34,000 Over \$34,000	0 upto 50% upto 85%
Married filing separately and living with spouse	Over 0	upto 85%
Tax (FICA)		
SS tax paid on income up to \$118,500	% withheld	Maximum tax payable
Employer pays	6.2%	\$7,347.00
Employee pays	6.2%	\$7,347.00
Self-employed pays	12.4%	\$14,694.00
Medicare tax		
Employer pays	1.45%	varies per income
Employee pays	1.45% plus 0.9% on income over \$200,000 (single) or \$250,000 (joint)	varies per income
Self-employed pays	2.90% plus 0.9% on income over \$200,000 (single) or \$250,000 (joint)	varies per income

*Provisional income = tax-exempt interest plus 50% of Social Security benefit.

Medicare Premiums			
2014 MAGI single	2014 MAGI joint	Part B Premium	Part D income adjustment
\$85,000 or less	\$170,000 or less	\$121.80**	\$0
85,001-107,000	170,001-214,000	\$170.50	\$12.70
107,001-160,000	214,001-320,000	\$243.60	\$32.80
160,001-214,000	320,001-428,000	\$316.70	\$52.80
Above 214,000	Above 428,000	\$389.80	\$72.90

**\$104.90 if held harmless

Uniform Lifetime Table (partial)			
Age of IRA owner or plan participant	Life expectancy (in years)	Age of IRA owner or plan participant	Life expectancy (in years)
70	27.4	86	14.1
71	26.5	87	13.4
72	25.6	88	12.7
73	24.7	89	12.0
74	23.8	90	11.4
75	22.9	91	10.8
76	22.0	92	10.2
77	21.2	93	9.6
78	20.3	94	9.1
79	19.5	95	8.6
80	18.7	96	8.1
81	17.9	97	7.6
82	17.1	98	7.1
83	16.3	99	6.7
84	15.5	100	6.3
85	14.8	101	5.9

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