

# FELTZ WEALTHPLAN

## 2019 TAX GUIDE

### Tax Brackets for 2019

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

#### Married, Joint

\$0 – \$19,400	10%
\$19,401 – \$78,950	12%
\$78,951 – \$168,400	22%
\$168,401 – \$321,450	24%
\$321,451 – \$408,200	32%
\$408,201 – \$612,350	35%
over \$612,350	37%

#### Single

\$0 – \$9,700	10%
\$9,701 – \$39,475	12%
\$39,476 – \$84,200	22%
\$84,201 – \$160,725	24%
\$160,726 – \$204,100	32%
\$204,101 – \$510,300	35%
over \$510,300	37%

#### Married, Separate

\$0 – \$9,700	10%
\$9,701 – \$39,475	12%
\$39,476 – \$84,200	22%
\$84,201 – \$160,725	24%
\$160,726 – \$204,100	32%
\$204,101 – \$306,175	35%
over \$306,175	37%

#### Head of Household

\$0 – \$13,850	10%
\$13,851 – \$52,850	12%
\$52,851 – \$84,200	22%
\$84,201 – \$160,700	24%
\$160,701 – \$204,100	32%
\$204,101 – \$510,300	35%
over \$510,300	37%

#### Estates and Trusts

\$0 – \$2,600	10%
\$2,601 – \$9,300	24%
\$9,301 – \$12,750	35%
over \$12,750	37%

#### Corporations

Corporate Tax Rate	21%
--------------------	-----

### Standard Deduction

Married, joint	\$24,400
Single, Married, separate	\$12,200
Head of Household	\$18,350
Blind or over 65: add \$1,300 if married; add \$1,650 if single or head of household.	

### Child/Dependent Tax Credit

Child	\$2,000 per child up to \$1,400 refundable
Qualifying Dependent (Family credit)	\$500 per dependent, non-refundable

### Mortgage Interest Deduction

On acquisition indebtedness up to \$750,000  
for 1st and 2nd homes (combined)  
No deduction for home equity indebtedness

### State and Local Tax Deduction Limit

State and local income and property tax deduction	\$10,000
--	----------

### Long-Term Capital Gains and Qualified Dividend Tax Rates

#### Married, joint

\$0 – \$78,750	0%
\$78,751 – \$488,850	15%
over \$488,850	20%

#### Single

\$0 – \$39,375	0%
\$39,376 – \$434,550	15%
over \$434,550	20%

#### Married, Separate

\$0 – \$39,375	0%
\$39,376 – \$244,425	15%
over \$244,425	20%

#### Head of Household

\$0 – \$52,750	0%
\$52,751 – \$461,700	15%
over \$461,700	20%

#### Estates and Trusts

\$0 – \$2,650	0%
\$2,651 – \$12,950	15%
over \$12,950	20%

### Alternative Minimum Tax Exemption Amounts

Married, joint	\$111,700
Single, HOH <sup>1</sup>	\$71,700
Married, separate	\$55,850

### IRA and Pension Plan Limits

#### IRA contribution

Under age 50	\$6,000
Age 50 and over	\$7,000

#### Phaseout for deducting IRA contribution

Married, joint	\$103,000 – \$123,000 MAGI
Single, HOH <sup>1</sup>	\$64,000 – \$74,000 MAGI
Married, separate	\$0 – \$10,000 MAGI

#### Phaseout for deducting spousal IRA<sup>2</sup>

	\$193,000 – \$203,000 MAGI
--	----------------------------

#### Phaseout of Roth contribution eligibility

Married, joint	\$193,000 – \$203,000 MAGI
Single, HOH <sup>1</sup>	\$122,000 – \$137,000 MAGI
Married, separate	\$0 – \$10,000 MAGI

#### SEP contribution

Up to 25% of compensation, limit \$56,000

#### Minimum compensation to participate in SEP

	\$600
--	-------

#### SIMPLE elective deferral

Under age 50	\$13,000
Age 50 and over	\$16,000

#### 401(k), 403(b)<sup>3</sup>, 457<sup>4</sup>, and SARSEP elective deferral

Under age 50	\$19,000
Age 50 and over	\$25,000

#### Annual defined contribution limit

	\$56,000
--	----------

#### Annual defined benefit limit

	\$225,000
--	-----------

#### Highly compensated employee

	\$125,000
--	-----------

#### Key Employee in top-heavy plan

	\$180,000
--	-----------

#### Annual compensation taken into account for qualified plans

	\$280,000
--	-----------

### Retirement Tax Credit

A percentage tax credit for an IRA, 401(k), 403(b)<sup>3</sup>,  
or 457<sup>4</sup> plan contribution, in addition to deduction or  
exclusion, if:

Married, joint	Below \$64,000 AGI
Head of Household	Below \$48,000 AGI
Single; Married, separate	Below \$32,000 AGI

### Maximum Qualified Longevity Annuity Contract (QLAC) premium

	\$130,000
--	-----------

### Gift and Estate Tax

Gift tax annual exclusion	\$15,000
Estate and gift tax rate	40%
Estate tax exemption	\$11,400,000
Lifetime gift exemption	\$11,400,000
GST exemption	\$11,400,000
Annual exclusion for gifts to noncitizen spouse	\$155,000

### Additional Medicare Tax Where Income Exceeds \$200,000 (\$250,000 Married, Joint)

Additional tax on excess of earned income <sup>5</sup>	0.9%
Additional tax on Net Investment Income <sup>6</sup>	3.8%

### Health Care

#### Eligible Long-Term Care Deduction Limit

Age 40 or less	\$420
Age 41 to 50	\$790
Age 51 to 60	\$1,580
Age 61 to 70	\$4,220
Ages over 70	\$5,270

#### Per Diem Limitation for LTC Benefits

	\$370
--	-------

### 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	\$140,000 – \$170,000 MAGI
All others	\$70,000 – \$85,000 MAGI

#### Phaseout of Lifetime Learning Credits

Married, joint	\$116,000 – \$136,000
All others	\$58,000 – \$68,000

#### Tax-free savings bonds interest phaseout

Married, joint	\$121,600 – \$151,600 MAGI
All others	\$81,100 – \$96,100 MAGI

## Social Security<sup>7</sup>

### Maximum wage base

.....\$132,900

### Amount needed to earn one credit

.....\$1,360

### Amount needed to earn four credits

.....\$5,440

### Social Security Tax Rates + Medicare Withholding

Employee.....7.65%  
Employer.....7.65%  
Self-Employed.....15.30%

### Maximum monthly retirement

Benefit at full retirement age\*.....\$2,861  
Cost of Living Adjustment.....2.8%

### Maximum earnings (during work years) subject to tax

.....\$132,900

### Income<sup>8</sup> (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 \$17,640.  
In the year of full retirement age, \$1 in benefits will be lost for every \$3 of earnings in excess of

\$46,920 (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 2017)

Average monthly retirement benefit  
Men.....\$1,565  
Women.....\$1,244  
Average monthly survivor benefit  
Men.....\$1,179  
Women.....\$1,344

Source: Fast Facts and Figures about Social Security, 2018.

## 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.

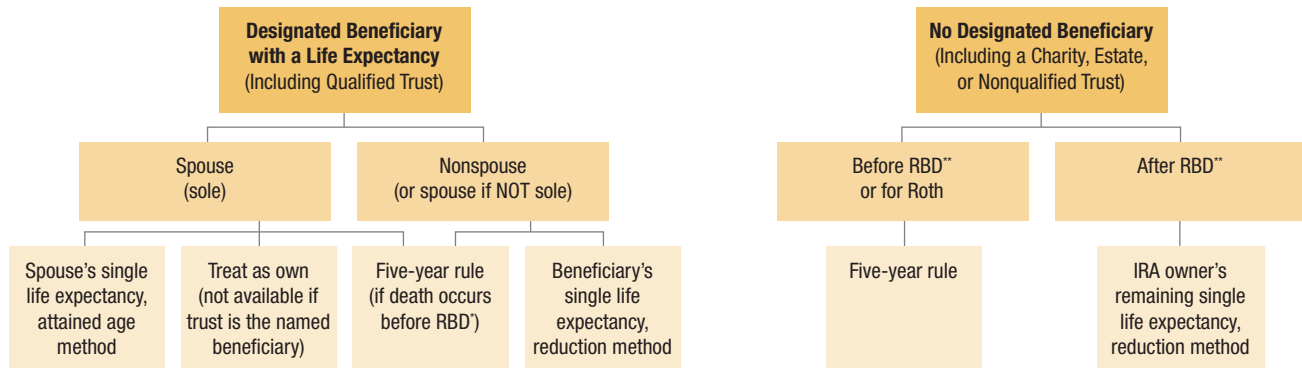
Taxpayer's Age	Life Expectancy	Taxpayer's Age	Life Expectancy	Taxpayer's Age	Life Expectancy
70	27.4	85	14.8	100	6.3
71	26.5	86	14.1	101	5.9
72	25.6	87	13.4	102	5.5
73	24.7	88	12.7	103	5.2
74	23.8	89	12.0	104	4.9
75	22.9	90	11.4	105	4.5
76	22.0	91	10.8	106	4.2
77	21.2	92	10.2	107	3.9
78	20.3	93	9.6	108	3.7
79	19.5	94	9.1	109	3.4
80	18.7	95	8.6	110	3.1
81	17.9	96	8.1	111	2.9
82	17.1	97	7.6	112	2.6
83	16.3	98	7.1	113	2.4
84	15.5	99	6.7	114	2.1
				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	Age	Multiple
39	44.6	55	29.6	72	15.5
40	43.6	56	28.7	73	14.8
41	42.7	57	27.9	74	14.1
42	41.7	58	27.0	75	13.4
43	40.7	59	26.1	76	12.7
44	39.8	60	25.2	77	12.1
45	38.8	61	24.4	78	11.4
46	37.9	62	23.5	79	10.8
47	37.0	63	22.7	80	10.2
48	36.0	64	21.8	81	9.7
49	35.1	65	21.0	82	9.1
50	34.2	66	20.2	83	8.6
51	33.3	67	19.4	84	8.1
52	32.3	68	18.6	85	7.6
53	31.4	69	17.8	86	7.1
54	30.5	70	17.0	87	6.7
		71	16.3	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).

<sup>1</sup> Head of Household.

<sup>2</sup> Assumes individual or spouse also participates in an employer-sponsored retirement plan.

<sup>3</sup> Special increased limit may apply to certain 403(b) contributors with 15 or more years of service.

<sup>4</sup> In last 3 years prior to year of retirement, 457 plan participant 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.

<sup>5</sup> Total Employee Medicare Tax is 1.45% + 0.9% = 2.35%.

<sup>6</sup> Including interest, dividends, capital gains, and annuity distributions.

<sup>7</sup> Source: Social Security Administration, www.ssa.gov 12/12/2018.

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

\* In 2019, for those turning age 62, full retirement age is 66 years and six months.

Information contained herein is current as of 12/12/18, subject to legislative changes and is not intended to be legal or tax advice. Consult a qualified tax advisor regarding specific circumstances. The investment products discussed are not bank products and are neither the obligations of, nor are they guaranteed by, the financial institution where they are offered. They are not insured by the FDIC, NCUA, or any other federal entity and are subject to investment risk, including possible loss of principal and interest.

