

2017 TAX REFERENCE GUIDE

IRAs & QUALIFIED PLANS	
CONTRIBUTION LIMITS	
IRA or Roth IRA contribution limit	\$5,500
IRA or Roth IRA catch-up (age 50 or older)	\$1,000
TRADITIONAL IRA DEDUCTION PHASEOUT	
Participants in a retirement plan	AGI
Single	\$62,000 - \$72,000
Married filing jointly	\$99,000 - \$119,000
Married filing separately	\$0 - \$10,000
Spousal IRA	\$186,000 - \$196,000
ROTH IRA PHASEOUT	
	AGI
Single	\$118,000 - \$133,000
Married filing jointly	\$186,000 - \$196,000
QUALIFIED PLANS	
Elective deferrals to 401(k), 403(b), 457, and SARSEPs	\$18,000
Catch-up contribution (age 50 or older)	\$6,000
Defined contribution plan limit (Section 415(c)(1)(A))	\$54,000
Defined benefit plan limit (Section 415(b)(1)(A))	\$215,000
SIMPLE IRA & SEP IRA	
SIMPLE Plan contribution limit	\$12,500
Catch-up contribution (age 50 or older)	\$3,000
Maximum compensation limit for retirement plans	\$270,000
Key employee (top-heavy plans)	Above \$175,000
Highly compensated employee	\$120,000
HEALTH SAVINGS ACCOUNT	
MINIMUM DEDUCTIBLE AMOUNT	
Single	\$1,300
Family	\$2,600
MAXIMUM OUT-OF-POCKET AMOUNT	
Single	\$6,550
Family	\$13,100
HSA CONTRIBUTION LIMIT	
Single	\$3,400
Family	\$6,750
Catch-up contribution (age 55 or older)	\$1,000
EDUCATION	
COVERDELL EDUCATION SAVINGS ACCOUNTS	
	AGI
Contribution limit	\$2,000
Single phaseout	\$95,000 - \$110,000
Married filing jointly phaseout	\$190,000 - \$220,000
LIFETIME LEARNING CREDIT – 20% OF QUALIFIED EXPENSES	
	AGI
Expense limit	\$10,000
Single phaseout	\$56,000 - \$66,000
Married filing jointly phaseout	\$112,000 - \$132,000
AMERICAN OPPORTUNITY TAX CREDIT – UP TO \$2,500 OF FIRST FOUR YEARS OF COLLEGE EXPENSES	
	AGI
Single phaseout	\$80,000 - \$90,000
Married filing jointly phaseout	\$160,000 - \$180,000

CAPITAL GAINS & QUALIFIED DIVIDENDS	
LONG-TERM CAPITAL GAINS AND QUALIFIED DIVIDENDS: TAX RATE	
If income tax bracket is 10% or 15%	0%
If income tax bracket is 25%, 28%, 33%, or 35%	15%
If income tax bracket is 39.6%	20%
(Short-term capital gains are taxed at income tax rates)	
Medicare contribution tax on investment income	3.8%
Tax is applied to the lower of net investment income or modified adjusted gross income (MAGI) over certain thresholds (\$250,000 joint filers/\$200,000 single filer), unadjusted for inflation.	

INCOME TAX RATE SCHEDULES				
IF TAXABLE INCOME IS:		THEN THE GROSS TAX PAYABLE IS:		
OVER	BUT NOT OVER	AMOUNT	PLUS %	OF THE AMOUNT OVER
Single Taxpayers				
\$0	\$9,325	----- 10% of taxable income -----		
\$9,325	\$37,950	\$932.50	15%	\$9,325
\$37,950	\$91,900	\$5,226.25	25%	\$37,950
\$91,900	\$191,650	\$18,713.75	28%	\$91,900
\$191,650	\$416,700	\$46,643.75	33%	\$191,650
\$416,700	\$418,400	\$120,910.25	35%	\$416,700
\$418,400	-	\$121,505.25	39.6%	\$418,400
Married Filing Jointly				
\$0	\$18,650	----- 10% of taxable income -----		
\$18,650	\$75,900	\$1,865.00	15%	\$18,650
\$75,900	\$153,100	\$10,452.50	25%	\$75,900
\$153,100	\$233,350	\$29,752.50	28%	\$153,100
\$233,350	\$416,700	\$52,222.50	33%	\$233,350
\$416,700	\$470,700	\$112,728.00	35%	\$416,700
\$470,700	-	\$131,628.00	39.6%	\$470,700
The income tax brackets for Married Filing Separately are half of the amounts for Married Filing Jointly. The brackets for Heads of Households generally fall between the brackets for single and joint filers.				

Trusts & Estates				
\$0	\$2,550	----- 15% of taxable income -----		
\$2,550	\$6,000	\$382.50	25%	\$2,550
\$6,000	\$9,150	\$1,245.00	28%	\$6,000
\$9,150	\$12,500	\$2,127.00	33%	\$9,150
\$12,500	-	\$3,232.50	39.6%	\$12,500

INCOME TAX EXEMPTIONS, DEDUCTIONS, AND CREDITS	
Personal Exemption	\$4,050
Standard Deduction	
Single	\$6,350
Married filing jointly	\$12,700
Head of household	\$9,350
Married filing separately	\$6,350
Additional for elderly/blind	
Married	\$1,250
Unmarried	\$1,550
Personal exemption and itemized deduction phaseouts	
	AGI:
Single	\$261,500 - \$384,000
Head of Household	\$287,650 - \$410,150
Married filing jointly	\$313,800 - \$436,300

ESTATE AND GIFT TAX

	2017
Individual estate tax exclusion (Federal) (Any unused amount can transfer to a surviving spouse)	\$5,490,000
Estate tax rate	40%
Gift tax exemption	\$5,490,000
Generation-skipping exemption	\$5,490,000
Annual gift tax exclusion (per recipient)	\$14,000
Lump sum accelerated gift to a 529 plan per donor (5-year rule)	\$70,000

States with an estate tax and/or inheritance tax: CT, DE, DC, HI, IL, IA, KY, ME, MD, MA, MN, NE, NJ, NY, OR, PA, RI, VT, and WA

ALTERNATIVE MINIMUM TAX (AMT)

STATUS	EXEMPTION	PHASEOUT
Single	\$54,300	\$120,700
Married filing jointly	\$84,500	\$160,900
Trusts and estates	\$24,100	\$80,450

ALTERNATIVE MINIMUM TAX RATES

26% up to \$187,800 of AMT base

28% over \$187,800 of AMT base

SOCIAL SECURITY

Social Security cost-of-living adjustment	0.3%
Quarter of coverage (earning for Social Security)	\$1,300
Maximum benefit (worker retiring at Full Retirement Age - FRA)	\$2,687

Social Security benefits are reduced if someone receives benefits and continues to work if they are younger than their full retirement age. The benefit is reduced \$1 for every \$2 or \$3 earned above the earnings limit (see below).

SOCIAL SECURITY FULL RETIREMENT AGE (FRA)

Year of Birth	FRA
1943 – 54	66
1955	66 and 2 months
1956	66 and 4 months
1957	66 and 6 months
1958	66 and 8 months
1959	66 and 10 months
1960 and later	67

Social Security benefit amounts are impacted by the age someone begins receiving benefits. Starting benefits after FRA results in a permanent increased amount, while starting before FRA causes a reduced benefit. Spouses are eligible for a spousal benefit of up to 50% of the FRA benefit. The benefit is permanently reduced if spousal benefits are received early.

Assuming FRA of Age 66

Age	% of FRA Benefit	
	Personal	Spousal
62	75%	35%
63	80%	37.5%
64	86.7%	41.7%
65	93.3%	45.8%
66	100%	50%
67	108%	50%
68	116%	50%
69	124%	50%
70	132%	50%

SOCIAL SECURITY EARNINGS LIMITATION

Before FRA (\$1 deducted for every \$2 earned)	\$16,920
Persons reaching FRA* (\$1 for every \$3 earned)	\$44,880

*Only in the year of full retirement age up until the month they reach FRA.

EMPLOYMENT TAXES

SOCIAL SECURITY WAGE BASE	\$127,200
FICA tax rate – employee	7.65%*
SECA tax rate – self-employed	15.30%*

*Up to the Social Security Wage Base; 1.45% thereafter with no limit (2.9% if self-employed).

There is an additional Medicare tax of 0.9% on wages over 200,000

IMPORTANT DATES & DEADLINES

CONTRIBUTION DEADLINES FOR TRADITIONAL IRAS AND ROTH IRAS

2016 Contributions	April 18, 2017
2017 Contributions	April 16, 2018
2017 Roth IRA Conversions	December 31, 2017
2017 Roth IRA Recharacterization	October 16, 2018

Deadline to fund a solo-401(k) or SEP IRA for 2017 is Oct. 16, 2018, assuming an extension is filed.

Required Minimum Distributions (RMDs)

Age of IRA holder:	First RMD Deadline*:
Turn 70 in first half of 2016 (before July 1)	April 1, 2017
Turn 70 in second half of 2016 (on or after July 1)	April 1, 2018
Turn 70 in first half of 2017	April 1, 2018
Turn 70 in second half of 2017	April 1, 2019

*Subsequent RMDs must be taken by Dec. 31 of each year. By waiting until April of the year after turning 70 ½ to take the first RMD, it is important to note that an IRA owner must then take two distributions in that year: your first RMD by April 1 and second RMD by Dec. 31.

2016 TAX FORM MAILING DEADLINES FOR CUSTODIANS

Form 1099-R (Retirement Account Distributions)	January 31, 2017
Consolidated Form 1099s (Taxable Accounts)	February 15, 2017*

*Extended deadline for accounts with securities pending final tax information (REITs, WHFITS, CMOs)

2017 ESTIMATED TAX PAYMENTS

For the period	Due date
First Quarter	April 18, 2017
Second Quarter	June 15, 2017
Third Quarter	September 15, 2017
Fourth Quarter	January 15, 2018

Qualified Charitable Distributions (QCDs)

IRA owners over 70 ½ years old can make tax-free distributions directly from a Traditional IRA to qualified charitable organizations of their choosing. Donations are limited to a maximum of \$100,000 per year, per IRA owner and count toward fulfilling annual Required Minimum Distributions (RMDs).

[Click here for more information about QCDs](#) ►

Social Security Reminder

The Bipartisan Budget Act of 2015 included a provision that eliminated the file and suspend strategy. This gives someone the ability to file for Social Security benefits at Full Retirement Age (FRA), thereby allowing their spouse to file for spousal benefits, and then immediately suspend their own benefits (to earn delayed retirement credits). The new provision states that if an individual files and suspends benefits, neither they nor their spouse or other dependents can receive benefits during that period.

Similarly, a phase-out to eliminate the ability to file for spousal benefits and then switch to a higher personal benefit at a later date (after earning delayed retirement credits) was enacted. Under the new provision, anyone filing for a spousal benefit or their own retirement benefit is deemed to have filed for both and therefore cannot receive increased credits. Anyone reaching age 62 before the end of 2015 can continue to use this strategy (by filing a restricted application for spousal benefits).

[Click here for more information about Social Security Claiming Strategies](#) ►

Tax Changes on the Horizon?

President-Elect Donald Trump and the Republican Party have expressed a desire to enact tax reform, with an emphasis on lowering taxes, simplifying the tax code, and eliminating certain taxes. We will be following the potential for new tax legislation closely, summarizing new policy when it is enacted, and making adjustments to this reference guide when applicable.