

2019 Tax Guide

Retirement Plan Contribution Limits	
Annual compensation used to determine contribution for most plans	\$280,000
Defined contribution plans	\$56,000
Defined benefit plans	\$225,000
401(k), 403(b), 457(b) plans	\$19,000
Catch-up provision for individuals 50+	\$6,000
SIMPLE plans	\$13,000
SIMPLE plans - catch-up provision for individuals 50+	\$3,000
Roth 401(k)	\$19,000
Roth 401(k) - catch-up provision for individuals 50+	\$6,000
Maximum ESOP balance subject to 5 year distribution period	\$1,130,000

Individual Retirement Accounts			
IRA type	Contribution limit	Catch-up at 50+	Phaseouts (AGI)
Non-deductible	\$6,000	\$1,000	None
Covered by qualified plan:			
Deductible	\$6,000	\$1,000	\$103,000 to \$123,000 joint
			\$64,000 to \$74,000 single, HOH
			\$0 to \$10,000 MFS
If one spouse covered by a plan:			
Roth	\$6,000	\$1,000	\$193,000 to \$203,000 joint
			\$193,000 to \$203,000 joint
			\$122,000 to \$137,000 single, HOH
			\$0 to \$10,000 MFS
Roth conversion			No Income Limit

Medicare Premiums & Deductibles			
Part B premium	\$135.50*		
Part B deductible	\$185		
Part A (inpatient services) deductible < 61 days of hospitalization	\$1,364	per benefit period	
Part A deductible 61 - 90 days of hospitalization	\$341	per day	
Part A deductible > 90 days of hospitalization	\$682	per day	

Part B / Part D Premiums for High-Income Taxpayers			
MAGI single	MAGI joint	Part B premium	Part D premium
< \$85,001	< \$170,001	\$135.50*	\$0.00
85,001 to \$107,000	\$170,001 to \$214,000	\$189.60	\$12.40
\$107,001 to \$133,500	\$214,001 to \$267,000	\$270.90	\$31.90
\$133,501 to \$160,000	\$267,001 to \$320,000	\$352.20	\$51.40
\$160,001 to \$499,999	\$320,001 to \$749,999	\$433.40	\$70.90
> \$500,000	> \$750,000	\$460.50	\$77.40

*Most individuals will pay less; however, individuals who are not protected by the Social Security "hold harmless" provision will pay \$135.50.

Social Security Benefits		
Full retirement age (FRA) if born between 1943 & 1954		66
Maximum monthly benefit	\$2,861	
Retirement earnings exempt amounts	\$17,640	Under FRA
	\$46,920	During yr. reach FRA
	NA	After FRA

Tax (FICA)	% withheld	Maximum tax payable
SS tax paid on income < \$132,900		
Employer pays	6.20%	\$8,240
Employee pays	6.20%	\$8,240
Self-employed pays	12.40%	\$16,480
Medicare tax paid on all income*		
Employer pays	1.45%	No maximum
Employee pays	1.45%	No maximum
Self-employed pays	2.90%	No maximum

*Additional 0.9% for wages exceeding \$200,000 (single) and \$250,000 (joint).

Social Security Taxes		
Filing status	AGI + provisional income*	Taxable portion
Married filing jointly	< \$32,000	0%
	\$32,000 to \$44,000	up to 50%
	> \$44,000	up to 85%
Single, HOH, MFS and living apart from spouse	< \$25,000	0%
	\$25,000 to \$34,000	up to 50%
	> \$34,000	up to 85%
Married filing separately & living with spouse	> \$0	up to 85%

*Provisional income = tax-exempt interest + 50% of SS benefit

Deductibility of Long-Term Care Premiums on Qualified Policies	
Attained age before close of tax yr.	Amount of LTC premiums that qualify as medical expenses
40 or less	\$420
41 to 50	\$790
51 to 60	\$1,580
61 to 70	\$4,220
> 70	\$5,270

Health Savings Accounts			
Annual limit	Max. deductible contribution	Deductible/Co-pay limits	Minimum annual deductible
Individuals	\$3,500	\$6,750	\$1,350
Families	\$7,000	\$13,500	\$2,700
Catch-up for 55+	\$1,000		

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2019 Tax Rate Schedule						
Taxable income		Base amount of tax		Marginal tax rate		Of the amount over
Single						
<	\$9,700	\$0.00	+	10.0%		\$0
\$9,701 to	\$39,475	\$970.00	+	12.0%		\$9,700
\$39,476 to	\$84,200	\$4,543.00	+	22.0%		\$39,475
\$84,201 to	\$160,725	\$14,382.50	+	24.0%		\$84,200
\$160,726 to	\$204,100	\$32,748.50	+	32.0%		\$160,725
\$204,101 to	\$510,300	\$46,628.50	+	35.0%		\$204,100
>	\$510,300	\$153,798.50	+	37.0%		\$510,300
Married filing jointly & surviving spouses						
<	\$19,400	\$0.00	+	10.0%		\$0
\$19,401 to	\$78,950	\$1,940.00	+	12.0%		\$19,400
\$78,951 to	\$168,400	\$9,086.00	+	22.0%		\$78,950
\$168,401 to	\$321,450	\$28,765.00	+	24.0%		\$168,400
\$321,451 to	\$408,200	\$65,497.00	+	32.0%		\$321,450
\$408,201 to	\$612,350	\$93,257.00	+	35.0%		\$408,200
>	\$612,350	\$164,709.50	+	37.0%		\$612,350
Head of household						
<	\$13,850	\$0.00	+	10.0%		\$0
\$13,851 to	\$52,850	\$1,385.00	+	12.0%		\$13,850
\$52,851 to	\$84,200	\$6,065.00	+	22.0%		\$52,850
\$84,201 to	\$160,700	\$12,962.00	+	24.0%		\$84,200
\$160,701 to	\$204,100	\$31,322.00	+	32.0%		\$160,700
\$204,101 to	\$510,300	\$45,210.00	+	35.0%		\$204,100
>	\$510,300	\$152,380.00	+	37.0%		\$510,300
Married filing separately						
<	\$9,700	\$0.00	+	10.0%		\$0
\$9,701 to	\$39,475	\$970.00	+	12.0%		\$9,700
\$39,476 to	\$84,200	\$4,543.00	+	22.0%		\$39,475
\$84,201 to	\$160,725	\$14,382.50	+	24.0%		\$84,200
\$160,726 to	\$204,100	\$32,748.50	+	32.0%		\$160,725
\$204,101 to	\$306,175	\$46,628.50	+	35.0%		\$204,100
>	\$306,175	\$82,354.75		37.0%		\$306,175
Estates and trusts						
<	\$2,600	\$0.00	+	10.0%		\$0
\$2,601 to	\$9,300	\$260.00	+	24.0%		\$2,600
\$9,301 to	\$12,750	\$1,868.00	+	35.0%		\$9,300
>	\$12,750	\$3,075.50	+	37.0%		\$12,750

Standard Deductions & Personal Exemption			
Standard Deduction		Personal exemption	
Filing Status	Deduction	Exemption	Phaseouts
Married filing joint	\$24,400	NA	NA
Single	\$12,200	NA	NA
Married filing separate	\$12,200	NA	NA
Head of household	\$18,350	NA	NA
Additional deductions for non-itemizers			
Blind or > 65	\$1,300		
Blind or > 65 and single	\$1,650		
Gift & Estate Tax			
Maximum estate tax rate		40%	
Estate/Gift tax exclusion		\$11,400,000	
Gift tax annual exclusion		\$15,000	
AMT Exemptions & Phaseouts			
Filing status	Exemption	Income phaseout threshold	
Married filing jointly & qualifying widow(er)	\$111,700	\$1,020,600	
Single & HOH	\$71,700	\$510,300	
Married filing separately	\$55,850	\$510,300	
Capital Gains Tax Rates			
Assets held less than 1 yr.		Marginal income rate	
		0% for joint below \$78,750 and single below \$39,375.	
Assets held longer than 1 yr.		15% for joint at or above \$78,751 and single at or above \$39,376.	
		20% for joint at or above \$488,851 and single at or above \$434,551.	
Unrecaptured Sec. 1250 gains		25%	
Collectibles		28%	
Education Credits / Deductions / Distributions			
Credit / Deduction / Account	Maximum credit / deduction / distribution	Income phaseouts begin at AGI:	
American Opportunity Tax Credit	\$2,500	\$160,000 to \$180,000	joint
		\$80,000 to \$90,000	all others
Lifetime Learning Credit	\$2,000	\$116,000 to \$136,000	joint
		\$58,000 to \$68,000	all others
Student loan interest deduction	\$2,500	\$140,000 to \$170,000	joint
		\$70,000 to \$85,000	all others
Savings bond interest deduction	limited to amount of qualified expenses	\$121,600 to \$151,600	joint
		\$81,100 to \$96,100	all others
Coverdell	\$2,000 maximum contribution (non-deductible)	\$190,000 to \$220,000	joint
		\$95,000 to \$110,000	all others
529 Plan (K-12)	\$10,000 distribution	None	joint
		None	all others
Kiddie Tax			
Dependent children < age 19 (< 24 for full-time students) pay federal income tax at trust and estate income tax rates on investment income > \$2,200.			

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Individual Tax Rates									
Single					Joint				
Taxable Income	Ordinary Income	Capital Gains and Dividends	Affordable Health Care Act		Taxable Income	Ordinary Income	Capital Gains and Dividends	Affordable Health Care Act	
			Earned Income	Investment Income**				Earned Income	Investment Income**
\$0 to \$9,700	10%	0%	0%	0%	\$0 to \$19,400	10%	0%	0%	0%
\$9,701 to \$39,375	12%				\$19,401 to \$78,750	12%			
\$39,376 to \$39,475		22%			\$78,751 to \$78,950		22%		
\$39,476 to \$84,200	24%				\$78,951 to \$168,400	24%			
\$84,201 to \$160,725		32%	\$168,401 to \$250,000	32%					
\$160,726 to \$200,000	35%		\$250,001 to \$321,450		35%				
\$200,001 to \$204,100		37%	\$321,451 to \$408,200	37%					
\$204,101 to \$434,550	20%		\$408,201 to \$488,850		20%				
\$434,551 to \$510,300			\$488,851 to \$612,350						
> \$510,300				> \$612,350					

*3.8% tax is only imposed on adjusted gross income (AGI) in excess of the \$200,000 (\$250,000 joint) threshold

** Investment income for purposes of 3.8% tax = dividends, interest, capital gains, non-qualified annuity distributions, royalties, rents, and passive income (not qualified retirement distributions)

Select Tax Items		
Tax Limits	2019	
Gift tax annual exclusion	\$15,000	
Estate tax exemption	\$11,400,000 + DSUEA*	
Top federal estate tax bracket	40%	
IRA distributions direct to charity (over age 70.5)	\$100,000	
IRA / Roth IRA contribution limit	\$6,000	
IRA / Roth IRA catch-up provisions for individuals 50+	\$1,000	
Health Savings Account contribution limit [Individual, (Family)]	\$3,500, (\$7,000)	
Health Savings Account catch-up provisions for individuals 55+	\$1,000	
Phaseout Items	Single	Joint
Itemized deduction phaseout	N/A	N/A
Personal exemption phaseout	N/A	N/A
Deductible IRA contribution phaseout (qualified plan)	\$64,000 to \$74,000	\$103,000 to \$123,000
<i>*If one spouse covered by a plan</i>	\$193,000 to \$203,000	
Roth IRA contribution phaseout	\$122,000 to \$137,000	\$193,000 to \$203,000
AMT exemption	\$71,700	\$111,700
Part B / Part D Premiums begin to increase with MAGI over	\$85,000	\$170,000

*Basic exclusion amount plus deceased spousal unused exclusion amount (DSUEA) -- exclusion is portable for 2011 onward

Retirement Plan Contribution Limits		
Plan	Limit	
Defined contribution plans	\$56,000	
401(k) (Roth/Traditional), 403(b), 457(b) plans	\$19,000	
Catch-up provision for individuals 50+	\$6,000	
SIMPLE plans	\$13,000	
SIMPLE plans - catch-up provision for individuals 50+	\$3,000	
Estates and Trusts		
Income	Rate	
< \$2,600	10%	
\$2,601 to \$9,300	24%	
\$9,301 to \$12,750	35%	
> \$12,750*	37%	
Short (Sold) Options		
Put/Call Action	Taxable Amount	How taxed (long/short)
Option expires worthless	Premium	Short
Option is closed	Net gain/loss of closing	Short
Call option assigned	Premium + strike price - security basis	Short or long**

*Investment income > \$12,750 subject to additional 3.8% surtax

**Underlying security held > 1 year is long term gain/loss, security held < 1 year is short term gain/loss