

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	
Single	\$63,000 - \$73,000
Married filing jointly	\$101,000 - \$121,000
Married filing separately	\$0 - \$10,000
Spousal IRA	\$189,000 - \$199,000
Roth IRA phaseout	
Single	\$120,000 - \$135,000
Married filing jointly	\$189,000 - \$199,000
Qualified Plans	
Elective deferrals to 401(k), 403(b), 457, and SARSEPs	\$18,500
Catch-up contribution (age 50 or older)	\$6,000
Defined contribution plan limit (Section 415(c)(1)(A))	\$55,000
Defined benefit plan limit (Section 415(b)(1)(A))	\$220,000

Simple IRA & SEP IRA

SEP IRA contribution limit	Lesser of \$55,000 or 25% of compensation
SIMPLE Plan contribution limit	\$12,500
SIMPLE Plan Catch-up contribution (age 50 or older)	\$3,000
Maximum compensation limit for retirement plans	\$275,000
Key employee (top-heavy plans)	Above \$175,000
Highly compensated employee	\$120,000

Health Savings Account

Minimum Deductible Amount	
Single	\$1,350
Family	\$2,700
Maximum Out-of-Pocket Amount	
Single	\$6,650
Family	\$13,300
HSA Contribution Limit	
Single	\$3,450
Family	\$6,900
Catch-up contribution (age 55 or older)	\$1,000

Education

Coverdell Education Savings Accounts	
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	
Expense limit	\$10,000
Single phaseout begins at	\$57,000
Married filing jointly phaseout begins at	\$114,000
529 Plans	

Eligible for private elementary and secondary school expenses up to \$10,000. Up to \$15,000 (annual gift tax exclusion) can be transferred tax free to a 529A ABLE account, if the beneficiary is the same person.

Capital Gains & Qualified Dividends

For 2018, rates are applied to taxable income levels:

Tax Rate	Single	Married Filing Jointly
0%	\$0 - \$38,600	\$0 - \$77,200
15%	\$38,600 - \$425,800	\$77,200 - \$479,000
20%	over \$425,800	Over \$479,000

(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).

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	\$9,525 ----- 10% of taxable income -----
\$9,525	\$38,700 \$952.50 12% \$9,525
\$38,700	\$82,500 \$4,453.50 22% \$38,700
\$82,500	\$157,500 \$14,089.50 24% \$82,500
\$157,500	\$200,000 \$32,089.50 32% \$157,500
\$200,000	\$500,000 \$45,689.50 35% \$200,000
\$500,000	- \$150,689.50 37% \$500,000
Married Filing Jointly	
\$0	\$19,050 ----- 10% of taxable income -----
\$19,050	\$77,400 \$1,905 12% \$19,050
\$77,400	\$165,000 \$8,907 22% \$77,400
\$165,000	\$315,000 \$28,179 24% \$165,000
\$315,000	\$400,000 \$64,179 32% \$315,000
\$400,000	\$600,000 \$91,379 35% \$400,000
\$600,000	- \$161,379 37% \$600,000

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 ----- 10% of taxable income -----
\$2,550	\$9,150 \$255.00 24% \$2,550
\$9,150	\$12,500 \$1,839.00 35% \$9,150
\$12,500	- \$3,011.50 37% \$12,500

Kiddie tax: unearned income is taxed at trust and estate rates (over the \$2,100 threshold)

Income Tax Exemptions, Deductions, and Credits

Personal Exemption	Eliminated under new tax law
Single	\$12,000
Married filing jointly	\$24,000
Head of household	\$18,000
Married filing separately	\$12,000
Child Tax Credit	
Qualifying Child (Children under age 17)	\$2,000
Dependents not eligible for Qualifying Child	\$500
Single phase out begins at	\$200,000
Married filing jointly phase out begins at	\$400,000
Elderly (over age 65) or blind additional deduction	
Single	\$1,600
Married	\$1,300

Estate and Gift Tax

	2018
Individual estate tax exclusion (Federal) (Any unused amount can transfer to a surviving spouse)	\$11,200,000
Maximum estate tax rate	40%
Gift tax exclusion	\$11,200,000
Generation-skipping exclusion	\$11,200,000
Annual gift tax exclusion (per recipient)	\$15,000
Lump sum accelerated gift to a 529 plan (5-year rule)	\$75,000

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	\$70,300	\$500,000
Married filing jointly	\$109,400	\$1,000,000

Alternative Minimum Tax Rates

26% up to \$191,500 of AMT base
28% over \$191,500 of AMT base

Social Security

Social Security wage base	\$128,400
Social Security cost-of-living adjustment	2%
Quarter of coverage (earning for Social Security)	\$1,320
Maximum benefit (worker retiring at FRA)	\$2,788
Estimate average monthly benefit	\$1,404

Social Security benefits are reduced if someone receives benefits and continues to work. The benefit is reduced \$1 for every \$2 or \$3 earned above the 2018 earnings wage base of \$128,400. There is no reduction at FRA.

Social Security earnings limitation

Before FRA (\$1 deducted for every \$2 earned)	\$17,040
Persons reaching FRA* (\$1 for every \$3 earned)	\$45,360

*Applies only to earnings in months prior to FRA

Social Security tax rates

FICA tax rate - employee	7.65%
SECA tax rate - self-employed	15.30%

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.

Age	% of FRA Benefit Personal / Spouse
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%

Important Dates & Deadlines

Contribution deadlines for Traditional IRAs, Roth IRAs, and SEP IRAs	
2017 Contributions	April 17, 2018
2018 Contributions	April 15, 2019
2018 Roth IRA Conversions	December 31, 2018

Required Minimum Distributions (RMDs)	
Age of IRA holder	First RMD Deadline*
Turn 70 in first half of 2017 (on or after July 1)	April 1, 2018
Turn 70 in second half of 2017 (on or after July 1)	April 1, 2019
Turn 70 in first half of 2018	April 1, 2019
Turn 70 in second half of 2018	April 1, 2020

*Subsequent RMDs must be taken by December 31 of each year.

By waiting until April of the year after turning 70 1/2 to take the first RMD, it is important to note that an IRA owner must then take two distributions before December 31 of that year (i.e. your prior year's RMD and the current year's RMD).

2017 Tax Form Mailing Deadlines for Custodians

Form 1099-R (Retirement Account Distributions)	January 31, 2018
Consolidated Form 1099s (Taxable Accounts)	February 28, 2018*

*Extended deadline for accounts with securities pending final tax information (REITs, WHFITs, CMOs) March 15, 2018

Form 5498 (IRA & Retirement Account Contributions) May 31, 2018

2018 Estimated Tax Payments

For the period	Due Date
January 1 - March 31	April 17, 2018
April 1 - May 31	June 15, 2018
June 1 - August 31	September 17, 2018
September 1 - December 31	January 15, 2019

The Tax Cuts and Jobs Act, signed into law in December of 2017, is the first significant reform of the U.S. tax code since 1986. These changes are incorporated into this document, but if you want to know more about the key provisions of the new tax law for 2018, check out this article on The Motley Fool: <https://www.fool.com/taxes/2017/12/29/your-complete-guide-to-the-2018-tax-changes.aspx>

Tax Deferred Attorney Fees can allow you to receive your attorney fees in later years. If you are a lawyer with a significant income each year, spreading a large fee over a long period of time will maximize your year over year ability to plan, take itemized deductions, contribute to other tax advantaged plans and secure a higher net yield on your investment strategies after tax.

Tax time is also a good time to check for your Estate Planning documents. Do you need to update your will? Have you signed a Healthcare Proxy? Are your life insurance beneficiary designations up to date?



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