

IRAs & Qualified Plans

Contribution Limits	
IRA or Roth IRA contribution limit	\$6,000
IRA or Roth IRA catch-up (age 50 or older)	\$1,000
Traditional IRA deduction phaseout	
Participants in a retirement plan	
Single	\$64,000 - \$74,000
Married filing jointly	\$103,000 - \$123,000
Married filing separately	\$0 - \$10,000
Spousal IRA	\$193,000 - \$203,000
Roth IRA phaseout	
Single	\$122,000 - \$137,000
Married filing jointly	\$193,000 - \$203,000
Qualified Plans	
Elective deferrals to 401(k), 403(b), 457, and SARSEPs	
	\$19,000
Catch-up contribution (age 50 or older)	\$6,000
Defined contribution plan limit (Section 415(c)(1)(A))	\$56,000
Defined benefit plan limit (Section 415(b)(1)(A))	\$225,000

Simple IRA & SEP IRA

SEP IRA contribution limit	Lesser of \$56,000 or 25% of compensation
SIMPLE Plan contribution limit	\$13,000
Catch-up contribution (age 50 or older)	\$3,000
Maximum compensation limit for retirement plans	\$280,000
Key employee (top-heavy plans)	Above \$180,000
Highly compensated employee	\$125,000

Health Savings Account

Minimum Deductible Amount	
Single	\$1,350
Family	\$2,700
Maximum Out-of-Pocket Amount	
Single	\$6,750
Family	\$13,500
HSA Contribution Limit	
Single	\$3,500
Family	\$7,000
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	\$58,000
Married filing jointly phaseout	\$116,000

529 Plans

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

Capital Gains & Qualified Dividends

For 2019, rates are applied to taxable income levels:

Tax Rate	Single	Married Filing Jointly	Trusts & Estates
0%	\$0 - \$39,375	\$0 - \$78,750	\$0 - \$2,650
15%	\$39,375 - \$434,550	\$78,750 - \$488,850	\$2,650 - \$12,950
20%	over \$434,550	over \$488,850	over \$12,950

(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 over certain thresholds (\$250,000 joint filers/\$200,000 single/\$12,950 Trusts & Estates).

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	\$9,700	----- 10% of taxable income -----		
\$9,700	\$39,475	\$970.00	12%	\$9,700
\$39,475	\$84,200	\$4,543.00	22%	\$39,475
\$84,200	\$160,725	\$14,382.50	24%	\$84,200
\$160,725	\$204,100	\$32,748.50	32%	\$160,725
\$204,100	\$510,300	\$46,628.50	35%	\$204,100
\$510,300	-	\$153,798.50	37%	\$510,300
Married Filing Jointly				
\$0	\$19,400	----- 10% of taxable income -----		
\$19,400	\$78,950	\$1,940.00	12%	\$19,400
\$78,950	\$168,400	\$9,086.00	22%	\$78,950
\$168,400	\$321,450	\$28,765.00	24%	\$168,400
\$321,450	\$408,200	\$65,497.00	32%	\$321,450
\$408,200	\$612,350	\$93,257.00	35%	\$408,200
\$612,350	-	\$164,709.50	37%	\$612,350

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	\$2,600	----- 10% of taxable income -----		
\$2,600	\$9,300	\$260.00	24%	\$2,600
\$9,300	\$12,750	\$1,868.00	35%	\$9,300
\$12,750	-	\$3,075.50	37%	\$12,750

Kiddie tax: unearned income is taxed at trust and estate rates (over the \$2,200 threshold)

Income Tax Exemptions, Deductions, & Credits

Personal exemption	Eliminated under new tax law
Single	\$12,200
Married filing jointly	\$24,400
Head of household	\$18,350
Married filing separately	\$12,200
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	\$1,650
Married	\$1,300

Estate & Gift Tax

Individual estate tax exclusion (Federal) (Any unused amount can transfer to a surviving spouse)	\$11,400,000
Maximum estate tax rate	40%
Gift tax exclusion	\$11,400,000
Generation-skipping exclusion	\$11,400,000
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, 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	\$71,700	\$510,300
Married filing jointly	\$111,700	\$1,020,600
Alternative Minimum Tax Rates		
	26% up to \$194,800 of AMT base	
	28% over \$194,800 of AMT base	

Social Security

Social Security wage base	\$132,900
Social Security cost-of-living adjustment	2.8%
Quarter of coverage (earnings for Social Security)	\$1,360
Maximum benefit (worker retiring at FRA)	\$2,861
Estimated average monthly benefit	\$1,461
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 \$17,640 in years prior to FRA and \$46,920 (\$3,910/month) in the year FRA is reached, respectively. There is no reduction at FRA.	

For additional information about Social Security, please see Manning & Napier's 2019 Social Security Guide.

Businesses/Business Owners

For 2019, net business income is taxed at the following rates:

Corporations (C-Corps and similarly treated LLCs)	
Corporate income tax rate:	21%
Accumulated Earnings tax rate (plus interest):	20%*

Dividends paid to shareholders are taxable to them at ordinary income or capital gains tax rate(s), depending on the type of dividend.

*On retained earnings in excess of \$250,000 (\$150,000 for personal service corps.), except if to meet reasonable business needs.

The AMT and US tax on foreign income were eliminated for corps. Illiquid assets and cash held outside of the U.S. are taxed once at rates of 8% and 15.5%, respectively.

Pass Through Entities (Sole Props, Partnerships, S-Corps, and similarly treated LLCs)

Net business income is reported by the owner(s) and is taxed at his/her tax rates	
Self-Employment Tax on wages, tips & net earnings	
Medicare Tax (on total amount)*:	2.9%
Social Security Tax (on the first \$132,900):	12.4%
Deduction for qualified business income**:	20.0%

*An Additional Medicare Tax of 0.9% is applied to amounts over certain thresholds (\$250,000 joint filers/\$200,000 single filer).

**The deduction is limited to the lesser of 20% of QBI or 20% of the owner's taxable income. Subject to phase out depending on the type of services provided if income is over \$321,400 (joint) or \$160,700 (single) as of 2019.

Important Dates & Deadlines

Contribution deadlines for Traditional IRAs, Roth IRAs, and SEP IRAs	
2018 Contributions	April 15, 2019
2019 Contributions	April 15, 2020
2019 Roth IRA Conversions	December 31, 2019
Required Minimum Distributions (RMDs)	
Age of IRA holder:	First RMD Deadline*:
Turn 70 in first half of 2018 (before July 1)	April 1, 2019
Turn 70 in second half of 2018 (on or after July 1)	April 1, 2020
Turn 70 in first half of 2019	April 1, 2020
Turn 70 in second half of 2019	April 1, 2021

*Subsequent RMDs must be taken by December 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 before December 31 of that year (i.e. your prior year's RMD and the current year's RMD).

2018 Tax Form Mailing Deadlines for Custodians	
Form 1099-R (Retirement Account Distributions)	January 31, 2019
Consolidated Form 1099s (Taxable Accounts)	February 15, 2019*
*Extended deadline for accounts holding certain securities (REITs, WHFITs, CMOs)	
Form 5498 (Retirement Account Contributions)	May 31, 2019

2019 Estimated Tax Payments	
For the period	Due date
January 1 - March 31	April 15, 2019
April 1 - May 31	June 17, 2019
June 1 - August 31	September 16, 2019
September 1 - December 31	January 15, 2020

2017 Tax Cuts and Jobs

Key provisions going into effect in 2019 & pending legislation.

- The base exemption amount for lifetime gift tax purposes was doubled from \$5 million to \$10 million and is scheduled to revert to \$5 million (indexed for inflation) in 2026. Proposed legislation would prevent estates of individuals who pass away in or after 2026 from being taxed on gifts made in 2018 – 2025 up to the doubled exemption amount (\$11.4 million in 2019).
- Medical expenses in excess of 10% of AGI are deductible in 2019.
- Total itemized deductions are no longer subject to reduction in 2019.



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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?