

# Key Numbers for 2018 (Revised for the Tax Cuts and Jobs Act)

*Presented by Sara Romaine*

Individual Income Tax	
Unmarried Individual (Other than Surviving Spouse and Head of Household)*	
If taxable income is:	The tax rate of taxable income is:
\$0–\$9,525	10%
\$9,525–\$38,700	12%
\$38,700–\$82,500	22%
\$82,500–\$157,500	24%
\$157,500–\$200,000	32%
\$200,000–\$500,000	35%
\$500,000+	37%
Married Filing Jointly and Surviving Spouse*	
If taxable income is:	The tax rate of taxable income is:
\$0–\$19,050	10%
\$19,050–\$77,400	12%
\$77,400–\$165,000	22%
\$165,000–\$315,000	24%
\$315,000–\$400,000	32%
\$400,000–\$600,000	35%
\$600,000+	37%
Married Filing Separately*	
If taxable income is:	The tax rate of taxable income is:
\$0–\$9,525	10%
\$9,525–\$38,700	12%
\$38,700–\$82,500	22%
\$82,500–\$157,500	24%
\$157,500–\$200,000	32%
\$200,000–\$300,000	35%
\$300,000+	37%

\* **Please note:** The specific tax estimates are based on the information in the **Conference Report** accompanying the Tax Cuts and Jobs Act of 2017. Further IRS guidance will be forthcoming in 2018.

Head of Household*	
If taxable income is:	The tax rate of taxable income is:
\$0–\$13,600	10%
\$13,600–\$51,800	12%
\$51,800–\$82,500	22%
\$82,500–\$157,500	24%
\$157,500–\$200,000	32%
\$200,000–\$500,000	35%
\$500,000+	37%
Trusts and Estates*	
If taxable income is:	The tax is:
\$0–\$2,550	10% of taxable income
\$2,550–\$9,150	\$255, plus 24% of the excess more than \$2,550
\$9,150–\$12,500	\$1,839, plus 35% of the excess more than \$9,150
\$12,500+	\$3,011.50, plus 37% of the excess more than \$12,500

\* **Please note:** The specific tax estimates are based on the information in the **Conference Report** accompanying the Tax Cuts and Jobs Act of 2017. Further IRS guidance will be forthcoming in 2018.

Standard Deductions			
Married Filing Jointly and Surviving Spouse	\$24,000	Married Filing Separately	\$12,000
Single	\$12,000	Head of Household	\$18,000

Kiddie Tax
Applies to unearned income more than \$2,100 for children younger than 18 (and full-time students between ages 19 and 24 whose earned income does not exceed half of their support for the year). The first \$1,050 is tax free, and the next \$1,050 is taxed at the child's rate. Unearned income more than \$2,100 will be taxed at new tax rates comparable to trust tax rates ( <b>not at parents' tax rate</b> ).

AMT		
	Exemption	Phaseout
Married Filing Jointly and Surviving Spouse	\$109,400	\$1,000,000
Single	\$70,300	\$500,000

Long-Term Capital Gains and Qualified Dividend Tax			
Capital Gains Tax Rate		Single	Married Filing Jointly
20%*		\$425,800+	\$479,000+
15%*		\$38,600–\$425,800	\$77,200–\$479,000
0%		\$0–\$38,600	\$0–\$77,200
*Additional 3.8% unearned income Medicare contribution tax applies to the lesser of net investment income or MAGI above the following thresholds:			
Married Filing Jointly	\$250,000	Married Filing Separately	\$125,000
Single	\$200,000	Head of Household	\$200,000

Health Savings Accounts (HSA) Maximum Contribution Limits	
Self-Only Coverage	If younger than age 55: \$3,450; if age 55–65: \$4,450
Family Coverage	If younger than age 55: \$6,900; if age 55–65: \$7,900

Retirement Plan Limits	
401(k), SAR-SEP, Sec. 457(b), 403(b) Elective Deferral Limit	\$18,500
Age 50+ Catch-Up for 401(k), SAR-SEP, 457(b), 403(b)	\$6,000
SIMPLE Elective Deferral Limit	\$12,500
Age 50+ Catch-Up for SIMPLE IRA	\$3,000
Traditional and Roth IRA Contributions	\$5,500
Age 50+ Catch-Up for IRA and Roth IRA	\$1,000
Section 415 Limit (Defined Contribution Plan)	\$55,000
Defined Benefit Plan Benefit Limit	\$220,000
Annual Compensation Limit for QRP, SEP, and 403(b)	\$275,000
Highly Compensated Definition	\$120,000
Control Employee	\$110,000
Key Employee in Top-Heavy Plan Definition	\$175,000

IRA Deduction Phaseout for Active Participants		
Filing Status	Starting at:	Fully Phased Out at:
Single or Head of Household	\$63,000	\$73,000
Married Filing Jointly or Qualifying Widow(er)	\$101,000	\$121,000
Married Filing Jointly and Spouse Is Active Participant in an Employer Plan	\$189,000	\$199,000
Married Filing Separately and Either Spouse Is Active Participant in an Employer Plan	\$0	\$10,000

Roth Contribution Income Limits		
Filing Status	Starting at:	Fully Phased Out at:
Single	\$120,000	\$135,000
Married Filing Jointly	\$189,000	\$199,000
Married Filing Separately	\$0	\$10,000

Business Health Insurance	
Health Insurance Premium Deduction for Self-Employed	100%
Limit on Employee Health Insurance Credit for Small Employers	\$26,700

Education Planning	
U.S. Savings Bond Income Exclusion Phaseout	Modified AGI \$119,500 to \$149,550 (joint) Modified AGI \$79,700 to \$94,700 (others)
Coverdell Education Savings Account (Education IRAs) Annual Contribution Limit	\$2,000
Coverdell Education Savings Account Phaseout	Modified AGI \$190,000 to \$220,000 (joint) Modified AGI \$95,000 to \$110,000 (others)
\$2,500 American Opportunity Tax (HOPE) Credit Phaseout	Modified AGI \$160,000 to \$180,000 (joint) Modified AGI \$80,000 to \$90,000 (others)
\$2,000 Lifetime Learning Credit Phaseout	Modified AGI in excess of \$114,000 (joint) Modified AGI in excess of \$57,000 (others)
Phaseout of \$2,500 Interest Deduction on Education Loans	Modified AGI \$135,000 to \$165,000 (joint) Modified AGI \$65,000 to \$80,000 (others)
2017-2018 Tuition and Fees Increase at a 4-Year College	Public College: 3.1% in-state student; 3.2% out-of-state student Private College: 3.6%
2017-2018 Room and Board Increase at a 4-Year College	Public College: 3.1% in-state student; 3.1% out-of-state student Private College: 3%
2017-2018 Total Average Yearly Cost at a 4-Year College	\$20,770 public in-state; \$36,420 public out-of-state; \$46,950 private

Federal Estate and Gift Tax	
Annual Gift Tax Exclusion per Donee	\$15,000
Annual Gift Exclusion to Non-U.S.-Citizen Spouse	\$152,000
Estate Tax Exemption	\$11,200,000
Lifetime Gift Tax Exemption	\$11,200,000
Generation-Skipping Transfer Tax Exemption	\$11,200,000
Special Use (Section 2032A) Valuation Reduction	\$1,140,000

Long-Term Care Premium Deductions	
Qualified LTC Insurance Deductions: Subject to 10% of AGI Medical Expense Floor	
Age	Limit
40 and younger	\$420
41–50	\$780
51–60	\$1,560
61–70	\$4,160
71 and older	\$5,200

**Please note:** Indemnity policy benefit payments that exceed the higher of the cost of long-term care or \$360 per day will be taxed as income.

Medicaid	
Community Spouse Resource Allowance	\$24,720 minimum; \$123,600 maximum
Monthly Maintenance Allowance	\$2,030 minimum; \$3,090 maximum
Home Equity Limit	\$572,000 (state can opt to increase to \$858,000)
"Income Cap" State Income Limit	\$2,250

Social Security	
CPI Increase in Benefits	2%
Maximum Monthly Benefit at Full Retirement	\$2,788/month
Retirement Earnings Exempt Amount Under FRA	\$17,040; \$1 withheld for every \$2 earned more than this amount
Retirement Earnings Exempt Amount Year of FRA	\$45,360; \$1 withheld for every \$3 earned more than this amount

Medicare	
Medicare Part A (if applicable) Monthly Premium	\$413 for fewer than 30 quarters of coverage \$226 for between 30 and 39 quarters of coverage
Medicare Part A Deductible and Coinsurance	\$1,340 for 1–60 days An additional \$335 for 61–90 days \$670 for 91–150 days All costs > 150 days
Medicare Part A Deductible for Skilled Nursing Facility in a Benefit Period	\$167.50 per day (21–100 days)
Medicare Part B Deductible	\$183 per year

Medicare Premium			
		Individual Filer	Married Filing Jointly
Medicare Part B Monthly Premium  *Some Medicare beneficiaries may pay less if certain conditions are met.	\$134.00*	\$0–\$85,000	\$0–\$170,000
	\$187.50	\$85,001–\$107,000	\$170,001–\$214,000
	\$267.90	\$107,001–\$133,500	\$214,001–\$267,000
	\$348.30	\$133,501–\$160,000	\$267,001–\$320,000
	\$428.60	\$160,000+	\$320,000+
Medicare Part D Deductible	No more than \$405		
Medicare Part D Monthly Premium Surcharge	(no surcharge)	\$0–\$85,000	\$0–\$170,000
	\$13.00	\$85,001–\$107,000	\$170,001–\$214,000
	\$33.60	\$107,001–\$133,500	\$214,001–\$267,000
	\$54.20	\$133,501–\$160,000	\$267,001–\$320,000
	\$74.80	\$160,000+	\$320,000+

**Please note:** Medicare premiums are based on MAGI from two years prior to the current premium year.

Payroll Taxes		
	Employee	Self-Employed
Social Security Tax	6.2%	12.4%
Social Security Wage Base	\$128,700	
Medicare Tax	1.45%	2.9%
<b>Additional Medicare Tax</b>	<b>0.9% on Earnings Higher than the Following Thresholds:</b>	
Single or Head of Household	\$200,000	
Married Filing Jointly	\$250,000	
Married Filing Separately	\$125,000	

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**For IARs:** Sara Romaine is a financial advisor located at Blue Hills Wealth Management, 300 Crown Colony, Quincy MA 02169. She offers securities and advisory services as an Investment Adviser Representative of Commonwealth Financial Network®. Member FINRA/SIPC, a Registered Investment Adviser. She can be reached at 617-471-6800 or at sara@bluehillswm.com.

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