



Clark Associates Financial Planning, Inc

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WE'RE IN THIS



TOGETHER

2017 Key Numbers



John P Clark

John P. Clark, of Clark Associates Financial Planning, Inc., is renowned for his wealth building strategies for "normal" people over the past decade. During these tumultuous years, he has helped people like you navigate the scary waters of money to get to and through retirement. He has a degree in economics and finance, with a minor in fine arts from Saint Anselm College. John studied Advanced Financial Planning at Fairly Dickinson University, attaining the CFP®, Certified Financial Planner designation. There are only about 75,000 CFPs in the country. John is currently enrolled at the American College pursuing other advanced degrees. His peers recently elected him to the prestigious Board of the Society of Financial Service Professionals. John is a go to IRA specialist in the Delaware Valley helping people realize, "It is not what you have, but what you keep!"

He has a keen interest in special needs planning and funding due to his own caring for his special needs brother. John is a lifelong resident of South Jersey where to this day his family runs their firm. He has 2 above average children, and a beautiful wife of 16 years, who winds him up in the morning and sets him loose. John is available, by appointment, for one-on-one consultations, or as a speaker for your next group meeting or place of employment.

WE'RE IN THIS



TOGETHER



Individual Income Tax Planning

Adoption credit

Adoption credit	2016	2017
Maximum credit	\$13,460	\$13,570
Phaseout threshold amount	\$201,920	\$203,540
Completed phaseout amount after	\$241,920	\$243,540

Alternative Minimum Tax (AMT)

Maximum AMT exemption amount	2016	2017
Married filing jointly or surviving spouse	\$83,800	\$84,500
Single or head of household	\$53,900	\$54,300
Married filing separately	\$41,900	\$42,250

AMT income exemption phaseout threshold	2016	2017
Married filing jointly or surviving spouse	\$159,700	\$160,900
Single or head of household	\$119,700	\$120,700
Married filing separately	\$79,850	\$80,450

AMT tax rate (26% rate applies to AMTI at or below amount; 28% applies to AMTI above amount)	2016	2017
All taxpayers except married filing separately	\$186,300	\$187,800
Married filing separately	\$93,150	\$93,900

Charitable deductions

Use of auto	2016	2017
Deductible standard mileage rate	\$0.14	\$0.14

Charitable fundraising "insubstantial benefit" limitation	2016	2017
Low-cost article (re: unrelated business income)	\$10.60	\$10.70

Gifts to donor in return for contribution	2016	2017
Token gift maximum cost ¹	\$10.60	\$10.70
Minimum contribution amount ¹	\$53.00	\$53.50
2% threshold amount ²	\$106	\$107

1 Contribution is fully deductible if minimum contribution amount is met and cost of token gift does not exceed maximum

2 Charitable contribution is fully deductible if the benefit received by the donor doesn't exceed the lesser of the threshold amount or 2% of the amount of the contribution

Child tax credit

Amount of credit	2016	2017
Maximum credit per qualifying child	\$1,000	\$1,000

Phaseout -- credit reduced by \$50 for each \$1,000 or fraction thereof of MAGI over:	2016	2017
Single	\$75,000	\$75,000
Married Filing Jointly	\$110,000	\$110,000
Married Filing Separately	\$55,000	\$55,000

Refundability -- up to specified percentage of earned income in excess of specified amount	2016	2017
Percentage	15%	15%
Amount	\$3,000	\$3,000

Classroom expenses of elementary and secondary school teachers

Classroom expense deduction	2016	2017
Maximum above-the-line deduction	\$250	\$250

Earned income tax credit (EITC)

Investment income limit	2016	2017
Excessive investment income limit ("disqualified income limit")	\$3,400	\$3,450

Maximum amount of EITC per number of children	2016	2017
0 children	\$506	\$510
1 child	\$3,373	\$3,400
2 children	\$5,572	\$5,616
3 or more children	\$6,269	\$6,318

Maximum amount of earned income on which EITC is based (earned income over this amount but under the threshold phaseout amount will not change the amount of the credit received)	2016	2017
0 children	\$6,610	\$6,670
1 child	\$9,920	\$10,000
2 or more children	\$13,930	\$14,040

Threshold phaseout amount for joint filers per number of children	2016	2017
0 children	\$13,820	\$13,930
1 child	\$23,740	\$23,930
2 children	\$23,740	\$23,930
3 or more children	\$23,740	\$23,930

Threshold phaseout amount for other filers per number of children	2016	2017
0 children	\$8,270	\$8,340
1 child	\$18,190	\$18,340
2 children	\$18,190	\$18,340
3 or more children	\$18,190	\$18,340

Completed phaseout amount for joint filers per number of children	2016	2017
0 children	\$20,430	\$20,600
1 child	\$44,846	\$45,207
2 children	\$50,198	\$50,597
3 or more children	\$53,505	\$53,930

Completed phaseout amount for other filers per number of children	2016	2017
0 children	\$14,880	\$15,010
1 child	\$39,296	\$39,617
2 children	\$44,648	\$45,007
3 or more children	\$47,955	\$48,340

Expatriation

Covered expatriate	2016	2017
An individual with "average annual net income tax" of more than this amount for the five taxable years ending before his or her loss of citizenship is a covered expatriate for the purposes of IRC §877A(g)(1)	\$161,000	\$162,000
IRC §877A(3) exclusion amount	\$693,000	\$699,000

Foreign earned income

Amount excluded from income	2016	2017
Exclusion amount	\$101,300	\$102,100

Itemized deductions

Phaseout threshold	2016	2017
Married filing jointly	\$311,300	\$313,800
Head of household	\$285,350	\$287,650
Unmarried	\$259,400	\$261,500
Married filing separately	\$155,650	\$156,900

Kiddie tax

Unearned income limit	2016	2017
Amount exempt from tax	\$1,050	\$1,050
Additional amount taxed at child's rate	\$1,050	\$1,050
Unearned income over this amount taxed at parent's rate	\$2,100	\$2,100

Parent's election	2016	2017
Election to include child's income on parent's return -- child's gross income requirement	\$1,050 - \$10,500	\$1,050 - \$10,500

AMT	2016	2017
AMT exemption for child subject to kiddie tax	Lesser of \$7,400 + child's earned income or \$53,900	Lesser of \$7,500 + child's earned income or \$54,300

Medicare tax (additional payroll tax and unearned income contribution tax)

Payroll tax	2016	2017
Additional Medicare payroll tax (and self-employment tax) percentage rate	0.90%	0.90%

Applies to wages/self-employment income exceeding	2016	2017
Individuals	\$200,000	\$200,000
Married filing jointly	\$250,000	\$250,000
Married filing separately	\$125,000	\$125,000

Tax on unearned income	2016	2017
Unearned income Medicare contribution tax rate	3.80%	3.80%

Applies to lesser of (a) net investment income or (b) modified adjusted gross income exceeding	2016	2017
Individuals	\$200,000	\$200,000
Married filing jointly	\$250,000	\$250,000
Married filing separately	\$125,000	\$125,000

Nanny tax

Compensation threshold	2016	2017
Domestic employee coverage threshold	\$2,000	\$2,000

Personal exemption amount

Amount	2016	2017
Personal exemption amount	\$4,050	\$4,050

Married filing jointly	2016	2017
Phaseout threshold amount	\$311,300	\$313,800
Completed phaseout amount after	\$433,800	\$436,300

Head of household	2016	2017
Phaseout threshold amount	\$285,350	\$287,650
Completed phaseout amount after	\$407,850	\$410,150

Unmarried	2016	2017
Phaseout threshold amount	\$259,400	\$261,500
Completed phaseout amount after	\$381,900	\$384,000

Married filing separately	2016	2017
Phaseout threshold amount	\$155,650	\$156,900
Completed phaseout amount after	\$216,900	\$218,150

"Saver's Credit"

Elective Deferrals and IRA Contributions by Certain Individuals	2016	2017
Maximum credit amount	\$1,000	\$1,000

Applicable percentage of 50% applies to AGI	2016	2017
Joint Return	\$0 - \$37,000	\$0 - \$37,000
Head of Household	\$0 - \$27,750	\$0 - \$27,750
Other	\$0 - \$18,500	\$0 - \$18,500

Applicable percentage of 20% applies to AGI	2016	2017
Joint Return	\$37,001 - \$40,000	\$37,001 - \$40,000
Head of Household	\$27,751 - \$30,000	\$27,751 - \$30,000
Other	\$18,501 - \$20,000	\$18,501 - \$20,000

Applicable percentage of 10% applies to AGI	2016	2017
Joint Return	\$40,001 - \$61,500	\$40,001 - \$62,000
Head of Household	\$30,001 - \$46,125	\$30,001 - \$46,500
Other	\$20,001 - \$30,750	\$20,001 - \$31,000

Applicable percentage of 0% applies to AGI	2016	2017
Joint Return	Over \$61,500	Over \$62,000
Head of Household	Over \$46,125	Over \$46,500
Other	Over \$30,750	Over \$31,000

Standard deductions

Amounts	2016	2017
Married filing jointly or surviving spouse	\$12,600	\$12,700
Head of household	\$9,300	\$9,350
Unmarried	\$6,300	\$6,350
Married filing separately	\$6,300	\$6,350
Dependent	Greater of \$1,050 or \$350 + earned income	Greater of \$1,050 or \$350 + earned income
Additional deduction for aged or blind (single or head of household)	\$1,550	\$1,550
Additional deduction for aged or blind (all other filing statuses)	\$1,250	\$1,250

Standard mileage rates

Applicable rates	2016	2017
Use of auto for business purposes (cents per mile)	\$0.54	Not yet available
Use of auto for medical purposes (cents per mile)	\$0.19	Not yet available
Use of auto for moving purposes (cents per mile)	\$0.19	Not yet available



2017 Federal Income Tax Rate Schedules (Individuals, Trusts, and Estates)

Single taxpayers

If taxable income is:	Your tax is:
Not over \$9,325	10% of taxable income
Over \$9,325 to \$37,950	\$932.50 + 15% of the excess over \$9,325
Over \$37,950 to \$91,900	\$5,226.25 + 25% of the excess over \$37,950
Over \$91,900 to \$191,650	\$18,713.75 + 28% of the excess over \$91,900
Over \$191,650 to \$416,700	\$46,643.75 + 33% of the excess over \$191,650
Over \$416,700 to \$418,400	\$120,910.25 + 35% of the excess over \$416,700
Over \$418,400	\$121,505.25 + 39.6% of the excess over \$418,400

Married filing jointly and surviving spouses

If taxable income is:	Your tax is:
Not over \$18,650	10% of taxable income
Over \$18,650 to \$75,900	\$1,865 + 15% of the excess over \$18,650
Over \$75,900 to \$153,100	\$10,452.50 + 25% of the excess over \$75,900
Over \$153,100 to \$233,350	\$29,752.50 + 28% of the excess over \$153,100
Over \$233,350 to \$416,700	\$52,222.50 + 33% of the excess over \$233,350
Over \$416,700 to \$470,700	\$112,728 + 35% of the excess over \$416,700
Over \$470,700	\$131,628 + 39.6% of the excess over \$470,700

Married individuals filing separately

If taxable income is:	Your tax is:
Not over \$9,325	10% of taxable income
Over \$9,325 to \$37,950	\$932.50 + 15% of the excess over \$9,325
Over \$37,950 to \$76,550	\$5,226.25 + 25% of the excess over \$37,950
Over \$76,550 to \$116,675	\$14,876.25 + 28% of the excess over \$76,550
Over \$116,675 to \$208,350	\$26,111.25 + 33% of the excess over \$116,675
Over \$208,350 to \$235,350	\$56,364 + 35% of the excess over \$208,350
Over \$235,350	\$65,814 + 39.6% of the excess over \$235,350



Heads of household

If taxable income is:	Your tax is:
Not over \$13,350	10% of taxable income
Over \$13,350 to \$50,800	\$1,335 + 15% of the excess over \$13,350
Over \$50,800 to \$131,200	\$6,952.50 + 25% of the excess over \$50,800
Over \$131,200 to \$212,500	\$27,052.50 + 28% of the excess over \$131,200
Over \$212,500 to \$416,700	\$49,816.50 + 33% of the excess over \$212,500
Over \$416,700 to \$444,550	\$117,202.50 + 35% of the excess over \$416,700
Over \$444,550	\$126,950 + 39.6% of the excess over \$444,550

Trusts and estates

If taxable income is:	Your tax is:
Not over \$2,550	15% of taxable income
Over \$2,550 to \$6,000	\$382.50 + 25% of the excess over \$2,550
Over \$6,000 to \$9,150	\$1,245 + 28% of the excess over \$6,000
Over \$9,150 to \$12,500	\$2,127 + 33% of the excess over \$9,150
Over \$12,500	\$3,232.50 + 39.6% of the excess over \$12,500



2016 Federal Income Tax Rate Schedules (Individuals, Trusts, and Estates)

Single taxpayers

If taxable income is:	Your tax is:
Not over \$9,275	10% of taxable income
Over \$9,275 to \$37,650	\$927.50 + 15% of the excess over \$9,275
Over \$37,650 to \$91,150	\$5,183.75 + 25% of the excess over \$37,650
Over \$91,150 to \$190,150	\$18,558.75 + 28% of the excess over \$91,150
Over \$190,150 to \$413,350	\$46,278.75 + 33% of the excess over \$190,150
Over \$413,350 to \$415,050	\$119,934.75 + 35% of the excess over \$413,350
Over \$415,050	\$120,529.75 + 39.6% of the excess over \$415,050

Married filing jointly and surviving spouses

If taxable income is:	Your tax is:
Not over \$18,550	10% of taxable income
Over \$18,550 to \$75,300	\$1,855 + 15% of the excess over \$18,550
Over \$75,300 to \$151,900	\$10,367.50 + 25% of the excess over \$75,300
Over \$151,900 to \$231,450	\$29,517.50 + 28% of the excess over \$151,900
Over \$231,450 to \$413,350	\$51,791.50 + 33% of the excess over \$231,450
Over \$413,350 to \$466,950	\$111,818.50 + 35% of the excess over \$413,350
Over \$466,950	\$130,578.50 + 39.6% of the excess over \$466,950

Married individuals filing separately

If taxable income is:	Your tax is:
Not over \$9,275	10% of taxable income
Over \$9,275 to \$37,650	\$927.50 + 15% of the excess over \$9,275
Over \$37,650 to \$75,950	\$5,183.75 + 25% of the excess over \$37,650
Over \$75,950 to \$115,725	\$14,758.75 + 28% of the excess over \$75,950
Over \$115,725 to \$206,675	\$25,895.75 + 33% of the excess over \$115,725
Over \$206,675 to \$233,475	\$55,909.25 + 35% of the excess over \$206,675
Over \$233,475	\$65,289.25 + 39.6% of the excess over \$233,475

Heads of household

If taxable income is:	Your tax is:
Not over \$13,250	10% of taxable income
Over \$13,250 to \$50,400	\$1,325 + 15% of the excess over \$13,250
Over \$50,400 to \$130,150	\$6,897.50 + 25% of the excess over \$50,400
Over \$130,150 to \$210,800	\$26,835 + 28% of the excess over \$130,150
Over \$210,800 to \$413,350	\$49,417 + 33% of the excess over \$210,800
Over \$413,350 to \$441,000	\$116,258.50 + 35% of the excess over \$413,350
Over \$441,000	\$125,936 + 39.6% of the excess over \$441,000

Trusts and estates

If taxable income is:	Your tax is:
Not over \$2,550	15% of taxable income
Over \$2,550 to \$5,950	\$382.50 + 25% of the excess over \$2,550
Over \$5,950 to \$9,050	\$1,232.50 + 28% of the excess over \$5,950
Over \$9,050 to \$12,400	\$2,100.50 + 33% of the excess over \$9,050
Over \$12,400	\$3,206 + 39.6% of the excess over \$12,400



Business Planning

Adoption Assistance Programs

Adoption assistance	2016	2017
Maximum amount that can be excluded from employee's gross income	\$13,460	\$13,570
Phaseout threshold amount	\$201,920	\$203,540
Completed phaseout amount after	\$241,920	\$243,540

Earnings subject to FICA taxes (taxable wage base)

FICA tax	2016	2016
Maximum annual earnings subject to Social Security taxes	\$118,500	\$127,200
Social Security and Medicare combined tax rate	15.30% ¹	15.30% ¹
OASDI portion (Social Security)	12.40%	12.40%
Hospital Insurance portion (Medicare)	2.90% ¹	2.90% ¹

¹ An additional Medicare (HI) employee contribution rate of 0.9% (for a total employee contribution of 2.35%, and a total combined Medicare contribution rate of 3.8%) is assessed on wages exceeding \$200,000 (\$250,000 for married couples filing joint returns, \$125,000 for married individuals filing separate returns). For married individuals filing joint returns, the additional 0.9% tax applies to the couples combined wages (to the extent the combined wages exceed \$250,000).

Health insurance deduction for self-employed

Health insurance premiums	2016	2017
Deduction for health insurance premiums paid by self-employed persons	100%	100%

Qualified transportation fringe benefits

Qualified transportation fringe benefits	2016	2017
Commuter vehicles and transit pass monthly exclusion amount	\$255	\$255
Qualified parking monthly exclusion amount	\$255	\$255
Qualified bicycle commuting reimbursement fringe benefit (monthly amount)	\$20	\$20

Section 179 expensing

Section 179 expensing	2016	2017
Maximum amount that may be deducted under IRC Section 179	\$500,000	\$510,000
Deduction reduced by the amount by which the cost of §179 property placed in service during the year exceeds this amount	\$2,010,000	\$2,030,000

Small business tax credit for providing health-care coverage

Amount of credit	2016	2017
Maximum credit percentage	50%	50%

Partial credit	2016	2017
Number of full-time equivalent employees (FTEs) fewer than:	25	25
Maximum average annual wages less than:	\$51,800	\$52,400

Full credit	2016	2017
Number of full-time equivalent employees (FTEs) no more than:	10	10
Maximum average annual wages less than or equal to:	\$25,900	\$26,200

Special additional first-year depreciation allowance

Bonus depreciation	2016	2017
"Bonus" depreciation for qualified property acquired and placed in service during specified time periods	50%	50%

Standard mileage rate (per mile)

Business use of auto	2016	2017
Use of auto for business purposes	\$0.54	Not yet available

Tax on accumulated earnings and personal holding company income

Accumulated earnings and personal holding company income	2016	2017
Maximum tax on these items	20%	20%



Education Planning

Coverdell education savings accounts

Coverdell ESAs	2016	2017
Annual contribution limit	\$2,000	\$2,000

MAGI phaseout range for Coverdell education savings accounts	2016	2017
Single--phaseout threshold amount	\$95,000	\$95,000
Single--completed phaseout amount after	\$110,000	\$110,000
Married filing jointly--phaseout threshold amount	\$190,000	\$190,000
Married filing jointly--completed phaseout threshold amount	\$220,000	\$220,000

Deduction for qualified higher education expenses

Higher education expenses	2016	2017
Maximum deduction	\$4,000	N/A

MAGI maximum for full \$4,000 deduction	2016	2017
Single	\$65,000	N/A
Married filing jointly	\$130,000	N/A

Reduced deduction	2016	2017
Reduced deduction available	\$2,000	

MAGI range for \$2,000 deduction	2016	2017
Single--MAGI greater than this amount:	\$65,000	N/A
Single--MAGI does not exceed this amount:	\$80,000	N/A

Married filing jointly--MAGI greater than this amount:	\$130,000	N/A
Married filing jointly--MAGI does not exceed this amount:	\$160,000	N/A

Education loans--interest deduction

Education loan interest deduction	2016	2016
Maximum deduction for interest paid on qualified education loans	\$2,500	\$2,500

MAGI phaseout range	2016	2017
Single--phaseout threshold amount	\$65,000	\$65,000
Single--completed phaseout amount after	\$80,000	\$80,000
Married filing jointly--phaseout threshold amount	\$130,000	\$135,000
Married filing jointly--completed phaseout amount after	\$160,000	\$165,000

Gift tax exclusion

Gift tax	2016	2017
Annual gift tax exclusion--single individual	\$14,000	\$14,000
Annual gift tax exclusion--joint gift	\$28,000	\$28,000
Lump-sum gift to 529 plan--single individual	\$70,000	\$70,000
Lump-sum gift to 529 plan--joint gift	\$140,000	\$140,000

Kiddie tax

Kiddie tax	2016	2017
Generally, children pay federal income tax at their parents' rate on any investment income over	\$2,100	\$2,100

American Opportunity and Lifetime Learning Credits

Education credits	2016	2017
Maximum Lifetime Learning credit	\$2,000	\$2,000
Maximum American Opportunity credit	\$2,500	\$2,500

MAGI phaseout range for Lifetime Learning credit	2016	2017
Single--phaseout threshold amount	\$55,000	\$56,000
Single--completed phaseout amount after	\$65,000	\$66,000
Married filing jointly--phaseout threshold amount	\$111,000	\$112,000
Married filing jointly--completed phaseout amount after	\$131,000	\$132,000

MAGI phaseout range for American Opportunity credit	2016	2017
Single--phaseout threshold amount	\$80,000	\$80,000
Single--completed phaseout amount after	\$90,000	\$90,000
Married filing jointly--phaseout threshold amount	\$160,000	\$160,000
Married filing jointly--completed phaseout amount after	\$180,000	\$180,000

U.S. savings bonds--interest exclusion for higher education expenses

Joint returns	2016	2017
Phaseout threshold for joint returns	\$116,300	\$117,250
Completed phaseout amount after	\$146,300	\$147,250

Other returns	2016	2017
Phaseout threshold for other returns	\$77,550	\$78,150
Completed phaseout amount after	\$92,550	\$93,150



Protection Planning

Eligible long-term care premium deduction limits:

LTC premium deduction limits	2016	2017
Age 40 or under	\$390	\$410
Age 41-50	\$730	\$770
Age 51-60	\$1,460	\$1,530
Age 61-70	\$3,900	\$4,090
Over age 70	\$4,870	\$5,110

Per diem limit:

LTC periodic payments	2016	2017
Periodic payments for qualified long-term care insurance/certain life insurance	\$340	\$360

Archer Medical Savings Accounts

High deductible health plan--self-only coverage	2016	2017
Annual deductible--minimum	\$2,250	\$2,250
Annual deductible--maximum	\$3,350	\$3,350
Annual out-of-pocket expenses required to be paid (other than for premiums) can't exceed	\$4,450	\$4,500

High deductible health plan--family coverage	2016	2017
Annual deductible--minimum	\$4,450	\$4,500
Annual deductible--maximum	\$6,700	\$6,750
Annual out-of-pocket expenses required to be paid (other than for premiums) can't exceed	\$8,150	\$8,250



Flexible spending account (FSA) for health care

Health care FSAs	2016	2017
Maximum salary reduction contribution	\$2,550	\$2,600

Health Savings Accounts (HSAs)

Annual contribution limit	2016	2017
Self-only coverage	\$3,350	\$3,400
Family coverage	\$6,750	\$6,750

High deductible health plan--self-only coverage	2016	2017
Annual deductible--minimum	\$1,300	\$1,300
Annual out-of-pocket expenses required to be paid (other than for premiums) can't exceed	\$6,550	\$6,550

High deductible health plan--family coverage	2016	2017
Annual deductible--minimum	\$2,600	\$2,600
Annual out-of-pocket expenses required to be paid (other than for premiums) can't exceed	\$13,100	\$13,100

Catch-up contributions	2016	2017
Annual catch-up contribution limit for individuals age 55 or older	\$1,000	\$1,000





Estate Planning

Key indexed figures	2016	2017
Annual gift exclusion:	\$14,000	\$14,000
Gift and estate tax applicable exclusion amount:	\$5,450,000 + DSUEA ¹	\$5,490,000 + DSUEA ¹
Noncitizen spouse annual gift exclusion:	\$148,000	\$149,000
Generation-skipping transfer (GST) tax exemption:	\$5,450,000 ²	\$5,490,000 ²
Special use valuation limit (qualified real property in decedent's gross estate):	\$1,110,000	\$1,120,000

¹ Basic exclusion amount plus deceased spousal unused exclusion amount (exclusion is portable for 2011 and later years)

² The GST tax exemption is not portable

2016 and 2017 gift and estate tax rate schedule

Taxable Estate	Tentative Tax Equals	Plus	Of Amount Over
0 - \$10,000	\$0	18%	\$0
\$10,000 - \$20,000	\$1,800	20%	\$10,000
\$20,000 - \$40,000	\$3,800	22%	\$20,000
\$40,000 - \$60,000	\$8,200	24%	\$40,000
\$60,000 - \$80,000	\$13,000	26%	\$60,000
\$80,000 - \$100,000	\$18,200	28%	\$80,000
\$100,000 - \$150,000	\$23,800	30%	\$100,000
\$150,000 - \$250,000	\$38,800	32%	\$150,000
\$250,000 - \$500,000	\$70,800	34%	\$250,000
\$500,000 - \$750,000	\$155,800	37%	\$500,000
\$750,000 - \$1,000,000	\$248,300	39%	\$750,000
\$1,000,000 +	\$345,800	40%	\$1,000,000
Credit shelter amount \$5,450,000 in 2016, and \$5,490,000 in 2017	Unified credit amount \$2,125,800 in 2016, and \$2,141,800 in 2017		



Government Benefits

Social Security

Social Security Cost-of-living adjustment (COLA)	2016	2017
For Social Security and Supplemental Security Income (SSI) beneficiaries	0.00%	0.30%

Tax rate--employee	2016	2017
FICA tax -- Employee	7.65%	7.65%
Social Security (OASDI) portion of tax	6.20%	6.20%
Medicare (HI) portion of tax	1.45% ¹	1.45% ¹

Tax rate--self-employed	2016	2017
Self-Employed	15.30%	15.30%
Social Security (OASDI) portion of tax	12.40%	12.40%
Medicare (HI) portion of tax	2.90% ¹	2.90% ¹

¹ An additional 0.9% Medicare/hospital insurance tax (for a total employee contribution of 2.35%) is assessed on wages exceeding \$200,000 (\$250,000 for married couples filing joint returns, \$125,000 for married individuals filing separate returns). An additional 0.9% Medicare/hospital insurance tax (for a total Medicare portion of 3.8%) is assessed on self-employment income exceeding \$200,000 (\$250,000 for married couples filing joint returns, \$125,000 for married individuals filing separate returns).

Maximum taxable earnings	2016	2017
Social Security (OASDI only)	\$118,500	\$127,200
Medicare (HI only)	No limit	No limit

Quarter of coverage	2016	2017
Earnings required	\$1,260	\$1,300

Retirement earnings test--exempt amounts--Under full retirement age--Benefits reduced by \$1 for each \$2 earned above:	2016	2017
Yearly figure	\$15,720	\$16,920
Monthly figure	\$1,310	\$1,410

Retirement earnings test--exempt amounts--Year individual reaches full retirement age--Benefits reduced by \$1 for each \$3 earned above (applies only to earnings for months prior to attaining full retirement age):	2016	2017
Yearly figure	\$41,880	\$44,880
Monthly figure	\$3,490	\$3,740

Retirement earnings test--exempt amounts--Beginning the month individual attains full retirement age	2016	2017
	No limit on earnings	No limit on earnings

Social Security disability thresholds	2016	2017
Substantial gainful activity (SGA) for the sighted (monthly figure)	\$1,130	\$1,170
Substantial gainful activity for the blind (monthly figure)	\$1,820	\$1,950
Trial work period (TWP) (monthly figure)	\$810	\$840

SSI federal payment standard	2016	2017
Individual (monthly figure)	\$733	\$735
Couple (monthly figure)	\$1,100	\$1,103

SSI resource limits	2016	2017
Individual	\$2,000	\$2,000
Couple	\$3,000	\$3,000

SSI student exclusion limits	2016	2017
Monthly limit	\$1,780	\$1,790
Annual limit	\$7,180	\$7,200

Maximum Social Security benefit	2016	2017
Worker retiring at full retirement age (monthly figure)	\$2,639	\$2,687

Formula for Monthly Primary Insurance Amount (PIA)	2016	2017
(90% of first X of AIME + 32% of the AIME over X and through Y + 15% of AIME over Y)	X=\$856 Y=\$5,157	X=\$885 Y=\$5,336

Medicare

Medicare monthly premium amounts--Part A (hospital insurance) premium	2016	2017
Individuals with 40 or more quarters of Medicare-covered employment	\$0	\$0
Individuals with less than 40 quarters of Medicare-covered employment who are not otherwise eligible for premium-free hospital insurance	Up to \$411	Up to \$413

Medicare monthly premium amounts--Part B (medical insurance) monthly premium--for beneficiaries who file an individual income tax return with income that is:	2016	2017
Less than or equal to \$85,000	\$104.90 / \$121.80 ²	\$109 / \$134 ²
\$85,001 - \$107,000	\$170.50	\$187.50
\$107,001 - \$160,000	\$243.60	\$267.90
\$160,001 - \$214,000	\$316.70	\$348.30
Greater than \$214,000	\$389.80	\$428.60

Medicare monthly premium amounts--Part B (medical insurance) monthly premium--for beneficiaries who file a joint income tax return with income that is:	2016	2017
Less than or equal to \$170,000	\$104.90 / \$121.80 ²	\$109 / \$134 ²
\$170,001 - \$214,000	\$170.50	\$187.50
\$214,001 - \$320,000	\$243.60	\$267.90
\$320,001 - \$428,000	\$316.70	\$348.30
Greater than \$428,000	\$389.80	\$428.60



Medicare monthly premium amounts--Part B (medical insurance) monthly premium--for beneficiaries who are married, but file a separate tax return from their spouse and lived with spouse at some time during the taxable year with income that is:	2016	2017
Less than or equal to \$85,000	\$104.90 / \$121.80 ²	\$109 / \$134 ²
\$85,001 - \$129,000	\$316.70	\$348.30
Greater than \$129,000	\$389.80	\$428.60

² Most individuals will pay \$104.90 for 2016, \$109 (on average) for 2017; however, individuals who are not subject to the Social Security "hold harmless" provision will pay \$121.80 for 2016, \$134 for 2017.

Original Medicare plan deductible and coinsurance amounts--Part A (hospital insurance)	2016	2017
Deductible per benefit period	\$1,288	\$1,316
Coinsurance per day for 61st to 90th day of each benefit period	\$322	\$329
Coinsurance per day for 91st to 150th day for each lifetime reserve day (total of 60 lifetime reserve days--nonrenewable)	\$644	\$658

Original Medicare plan deductible and coinsurance amounts	2016	2017
Skilled nursing facility coinsurance per day for 21st to 100th day of each benefit period	\$161	\$164.50

Original Medicare plan deductible and coinsurance amounts--Part B (medical insurance) annual deductible	2016	2017
Individual pays 20 percent of the Medicare-approved amount for services after deductible is met	\$166	\$183

Medicaid

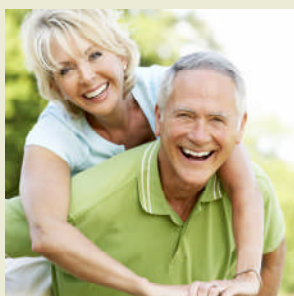
Income threshold	2016	2017
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Monthly income threshold for income-cap states ("300 percent cap limit")	\$2,199	\$2,205
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Monthly maintenance needs allowance for at-home spouse	2016	2017
Minimum ³	\$1,991.25	\$2,002.50
Maximum	\$2,980.50	Not yet available

Spousal resource allowance	2016	2017
Minimum	\$23,844	Not yet available
Maximum	\$119,220	Not yet available

³ Amounts listed actually effective as of July of prior year; different amounts apply to Alaska and Hawaii.



Retirement Planning

Employee/individual contribution limits

Elective deferral limits	2016	2017
401(k) plans, 403(b) plans, 457(b) plans, and SAR-SEPs ¹ (Includes Roth 401(k) and Roth 403(b) contributions)	Lesser of \$18,000 or 100% of participant's compensation	Lesser of \$18,000 or 100% of participant's compensation
SIMPLE 401(k) plans and SIMPLE IRA plans ¹	Lesser of \$12,500 or 100% of participant's compensation	Lesser of \$12,500 or 100% of participant's compensation

¹ Must aggregate employee contributions to all 401(k), 403(b), SAR-SEP, and SIMPLE plans of all employers. 457(b) plan contributions are not aggregated. For SAR-SEPs, the percentage limit is 25% of compensation reduced by elective deferrals (effectively, a 20% maximum contribution).

IRA contribution limits	2016	2017
Traditional IRAs	Lesser of \$5,500 or 100% of earned income	Lesser of \$5,500 or 100% of earned income
Roth IRAs	Lesser of \$5,500 or 100% of earned income	Lesser of \$5,500 or 100% of earned income

Additional "catch-up" limits (individuals age 50 or older)	2016	2017
401(k) plans, 403(b) plans, 457(b) plans, and SAR-SEPs ²	\$6,000	\$6,000
SIMPLE 401(k) plans and SIMPLE IRA plans	\$3,000	\$3,000
IRAs (traditional and Roth)	\$1,000	\$1,000

² Special catch-up limits may also apply to 403(b) and 457(b) plan participants.

Employer contribution/benefit³ limits

Defined benefit plan limits	2016	2017
Annual contribution limit per participant	No predetermined limit. Contributions based on amount needed to fund promised benefits	No predetermined limit. Contributions based on amount needed to fund promised benefits
Annual benefit limit per participant	Lesser of \$210,000 or 100% of average compensation for highest three consecutive years	Lesser of \$215,000 or 100% of average compensation for highest three consecutive years

Defined contribution plan limits (qualified plans, 403(b) plans, SEP, and SIMPLE plans)	2016	2017
Annual addition limit per participant (<i>employer contributions; employee pretax, after-tax, and Roth contributions; and forfeitures</i>) (<i>does not apply to SIMPLE IRA plans</i>)	Lesser of \$53,000 or 100% (25% for SEP) of participant's compensation	Lesser of \$54,000 or 100% (25% for SEP) of participant's compensation
Maximum tax-deductible employer contribution (<i>not applicable to 403(b) plans</i>)	25% of total compensation of employees covered under the plan (20% if self employed) plus any employee pretax and Roth contributions; 100% for SIMPLE plans	25% of total compensation of employees covered under the plan (20% if self employed) plus any employee pretax and Roth contributions; 100% for SIMPLE plans

³ For self-employed individuals, compensation generally means earned income. This means that, for qualified plans, deductible contributions for a self-employed individual are limited to 20% of net earnings from self-employment (net profits minus self-employment tax deduction), and special rules apply in calculating the annual additions limit.

Compensation limits/thresholds

Retirement plan compensation limits	2016	2017
Maximum compensation per participant that can be used to calculate tax-deductible employer contribution (qualified plans and SEPs)	\$265,000	\$270,000
Compensation threshold used to determine a highly-compensated employee	\$120,000 (when 2016 is the look-back year)	\$120,000 (when 2017 is the look-back year)
Compensation threshold used to determine a key employee in a top-heavy plan	\$1 for more-than-5% owners; \$170,000 for officers; \$150,000 for more-than-1% owners	\$1 for more-than-5% owners; \$175,000 for officers; \$150,000 for more-than-1% owners
Compensation threshold used to determine a qualifying employee under a SIMPLE plan	\$5,000	\$5,000

Compensation threshold used to determine a qualifying employee under a SEP plan	\$600	\$600
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Traditional deductible IRA income limits--Income phase-out range for determining deductibility of traditional IRA contributions for taxpayers covered by an employer-sponsored plan and filing as:	2016	2017
Single	\$61,000 - \$71,000	\$62,000 - \$72,000
Married filing jointly	\$98,000 - \$118,000	\$99,000 - \$119,000
Married filing separately	\$0 - \$10,000	\$0 - \$10,000

Traditional deductible IRA income limits--Income phase-out range for determining deductibility of traditional IRA contributions for taxpayers not covered by an employer-sponsored retirement plan but filing a:	2016	2017
Joint return with a spouse who is covered by an employer-sponsored retirement plan	\$184,000 - \$194,000	\$186,000 - \$196,000

Roth IRA compensation limits--Income phase-out range for determining ability to fund Roth IRA for taxpayers filing as:	2016	2017
Single	\$117,000 - \$132,000	\$118,000 - \$133,000
Married filing jointly	\$184,000 - \$194,000	\$186,000 - \$196,000
Married filing separately	\$0 - \$10,000	\$0 - \$10,000





Investment Planning

Tax on long-term capital gains

Generally long-term capital gains taxed at maximum rate of:	2016	2017
Taxpayers in top (39.6%) tax bracket	20%	20%
Taxpayers in 25%, 28%, 33%, and 35% tax rate brackets	15%	15%
Taxpayers in tax rate bracket 15% or less	0%	0%

Tax on dividends

Maximum tax rate on dividends received by an individual shareholder from domestic and qualified foreign corporations	2016	2017
Taxpayers in top (39.6%) tax bracket	20%	20%
Taxpayers in 25%, 28%, 33%, and 35% tax rate brackets	15%	15%
Taxpayers in tax rate bracket 15% or less	0%	0%

Unearned income Medicare contribution tax ("net investment income tax")

Amount of tax	2016	2017
Tax percentage	3.80%	3.80%

Applies to lesser of (a) net investment income or (b) modified adjusted gross income exceeding:	2016	2017
Individuals	\$200,000	\$200,000
Married filing jointly	\$250,000	\$250,000
Married filing separately	\$125,000	\$125,000



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