### Social Security

**SS wage base**: $128,400

- **FICA tax rate**—employee: 3.765%
- **SECA tax rate**—self-employed: 15.3%

**Earnings limitation**:
- Below FRA ($1 for $2): $17,040
- Persons reaching FRA ($1 for $3): $45,360
  (Applies only to earnings for months prior to attaining FRA)

**Social Security cost-of-living adjustment**: 2.0%

- **Quarter of coverage**: $1,320
- **Maximum benefit**: worker retiring at FRA: $2,788
- **Estimated average monthly benefit**: $1,404

### Medicare

**Monthly premium**:
- **Part A**: $422
- **Part B**: $134

**Part A**:
- First 60 days—patient pays a deductible: $1,340
- Next 30 days—patient pays per day: $335
- Next 60 days (lifetime reserve days): patient pays per day: $670

**Skilled nursing benefits**
- First 20 days—patient pays per day: -0-
- Next 80 days—patient pays per day: $167.50
- Over 100 days—patient pays per day: All costs

**Part B**:
- **Deductible**: $183
- **Coinsurance**: 20%

**Part D (Prescription Standard Benefit Model)**:
- **Deductible**: $405
- **25% coinsurance on next**: $3,345
- **Out-of-pocket (OOP) threshold**: $5,000
- Beneficiary then pays coinsurance amount for additional covered expenses.

### Retirement Plans

| Elective deferrals 401(k), 403(b), 457, and SARSEPs | $18,500 |
| Catch-up contribution | $6,000 |
| Defined contribution ([415(c)|71]| $55,000 |
| Defined benefit ([415(b)|71]| $220,000 |
| SIMPLE plan | $12,500 |
| SIMPLE catch-up contribution | $3,000 |
| Maximum includible compensation | $275,000 |
| Highly compensated employee | $275,000 |
| Lookback to 2017 | $120,000 |
| Lookback to 2018 | $120,000 |
| Key employee (top-heavy plan) | >$175,000 |
| SEP participation limit | $600 |
| IRA or Roth IRA contribution limit | $5,500 |
| IRA or Roth IRA catch-up | $1,000 |
| IRA deduction phaseout for active participants:
  - Single | $63,000–$73,000 |
  - Married filing jointly | $101,000–$121,000 |
  - Married filing separately | $0–$10,000 |
  - Non-active participant married to active participant | $189,000–$199,000 |
| Roth IRA phaseout:
  - Single | $120,000–$135,000 |
  - Married filing jointly | $189,000–$199,000 |

### Estate and Gift Tax

- **Annual gift tax exclusion**: $15,000
- **Estate & gift tax basic exclusion**: $11,880,000
- **Applicable credit amount**: $4,417,800
- **Generation skipping exemption**: $11,880,000
- **Maximum estate tax rate**: 40%

### 2018 Annual Limits Relating to Financial Planning

Compiled by Michael B. Cates, MS, CRPS®, CFP®.
**STANDARD MILEAGE RATES**

- Business use: $0.545 per mile
- Charitable use (not indexed): $0.14 per mile
- Medical or moving use: $0.18 per mile

**MISCELLANEOUS ITEMS**

- LTC per diem limit: $360
- LTC premium as medical expense limitation
  - Age 71 or older: $5,200
  - Age 61-70: $4,160
  - Age 51-60: $1,560
  - Age 41-50: $780
  - Age 40 or under: $420
- Qualified Transportation Fringes (monthly)
  - Age 71 or older: $5,200
  - Age 61-70: $4,160
  - Age 51-60: $1,560
  - Age 41-50: $780
  - Age 40 or under: $420
- Qualified Parking
- Commuter highway vehicle/transit pass: $260
- Longevity Annuity Contract

**LTCG RATES BASED ON TAXABLE INCOME**

- Under $51,700: 10%
- $51,700-$452,400: 20%
- Over $452,400: 25%

**Health Care Flexible Spending Account**

- Max: $2,650

**Qualified Longevity Annuity Contract**

- Max: $130,000

**EDUCATION**

- EE bonds for education—exclusion phaseout
  - Single, married filing jointly
- Coverdell Education Savings Account ($2,000 limit) phaseout
  - Single, married filing jointly
- Lifetime Learning Credit—20% of qualified expenses up to $10,000
  - Single, married filing jointly
- American Opportunity tax credit—maximum of $2,500
  - 0%
  - 26% up to $191,500 of AMT base
  - 28% over $191,500 of AMT base

**INCOME TAX**

- Standard deduction
  - Single: $12,000
  - Married: $24,000
- Retirement Savings Plan Deduction
  - Single: $1,000
  - Married filing jointly: $2,000
- Deduction for the elderly or blind
  - Single: $1,050
  - Married: $2,100
- Child tax credit
  - Dependent under age 17
  - Other dependents
- Adoption credit (nonrefundable)
  - Maximum: $13,810
- Adoption credit (refundable)
  - Maximum: $1,000
- Health Savings Account
  - Maximum Deductible Amount
    - Single: $1,350
    - Family: $2,700
  - Maximum Out-of-Pocket Amount
    - Single: $6,650
    - Family: $13,300
  - HSA Statutory Contribution Maximum
    - Single: $3,450
    - Family: $6,850
  - Catch-up contributions (age 55 or older): $1,000

**MINIMUM TAX (AMT)**

- Exemption
  - Single: $70,300
  - Married filing jointly: $109,400
  - Married filing separately: $54,700
  - Trusts and estates: $24,600
- Phaseout
  - $500,000
  - $1,000,000
  - $2,000,000
  - $500,000
- AMT Rates
  - 26% up to $191,500 of AMT base
  - 28% over $191,500 of AMT base

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