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	2016	2015
SIMPLE Maximum Contribution	\$3,000	\$3,000
401(k)	6,000	6,000
Traditional IRA's⁸	\$5,500	\$5,500
Phase-out (based on Modified AGI)		
Joint	\$98-\$118,000	\$98-\$118,000
Single	\$61-\$71,000	\$61-\$71,000
Head of Household	\$61-\$71,000	\$61-\$71,000
Married Filing Separately	\$0-\$10,000	\$0-\$10,000
Catch up Contribution	\$1,000	\$1,000
(Over age 50 by end of tax year)		
Roth IRA's⁸	\$5,500	\$5,500
Phase-out (based on Modified AGI)		
Joint	\$184-\$194,000	\$183-\$193,000
Single	\$117-\$132,000	\$116-\$131,000
Head of Household	\$117-\$132,000	\$116-\$131,000
Married Filing Separately (Lived with Spouse)	\$0-\$10,000	\$0-\$10,000
(Rollovers don't count towards \$5,000)		
Catch up Contribution	\$1,000	\$1,000
(Over age 50 by end of tax year)		
myRA⁸ (New in 2015)	\$5,500	\$5,500
Phase-out (based on Modified AGI)		
Joint	\$184-\$194,000	\$183-\$193,000
Single	\$117-\$132,000	\$116-\$131,000
Head of Household	\$117-\$132,000	\$116-\$131,000
Married Filing Separately (Lived with Spouse)	\$0-\$10,000	\$0-\$10,000
Maximum Balance Limit	15,000	15,000
Catch up Contribution	\$1,000	\$1,000
(Over age 50 by end of tax year)		
Health Savings Accounts¹		
HSA's (Individual/Family)	\$3,350/\$6,750	\$3,350/\$6,650
Catch-up (Over age 55)	1,000	1,000
Deductible Limits for HDHP's	\$1,300/\$2,600	\$1,300/\$2,600
Long-term care insurance- deduction limits¹		
Maximum Premium allowed as medical expense		
Age 40 and under (age at year end)	\$390	\$380
Ages 41-50	730	710
Ages 51-60	1,460	1,430
Ages 61-70	3,900	3,800
Age 71 and older	4,870	4,750
Affordable Care Act Penalty⁵ (Greater of the two)		
Single	2.5% AGI / \$695	2% AGI / \$325
Child (under 18)	\$347.50	162.50
Family method - max	\$2,085.00	975.00
Hope Credit (Max Amount)¹	2,500	2,500
40% is refundable (1st 4 years)	1,000	1,000
Phase-out (based on Modified AGI)		
Joint	\$160-\$180,000	\$160-\$180,000
Single	\$80-\$90,000	\$80-\$90,000
Head of Household	\$80-\$90,000	\$80-\$90,000
Married Filing Separately	No Credit	No Credit
Estate and Gift Tax¹		
Estate Tax Exclusion	\$5,450,000	\$5,430,000
Gift Tax Exclusion	5,450,000	5,430,000
Gift Tax Annual Exclusion	14,000	14,000

	2016	2015
Marginal Tax Rates¹		
Beginning of 15% Bracket		
Joint or Qualifying Widow	\$18,550	\$18,450
Single	9,275	9,225
Head of Household	13,250	13,150
Married Filing Separately	9,275	9,225
Estates and Nongrantor trusts	-	-
Beginning of 25% Bracket		
Joint or Qualifying Widow	\$75,300	\$74,900
Single	37,650	37,450
Head of Household	50,400	50,200
Married Filing Separately	37,650	37,450
Estates and Nongrantor trusts	2,550	2,500
Beginning of 28% Bracket		
Joint or Qualifying Widow	\$151,900	\$151,200
Single	91,150	90,750
Head of Household	130,150	129,600
Married Filing Separately	75,950	75,600
Estates and Nongrantor trusts	5,950	5,900
Beginning of 33% Bracket		
Joint or Qualifying Widow	\$231,450	\$230,450
Single	190,150	189,300
Head of Household	210,800	209,850
Married Filing Separately	115,725	115,225
Estates and Nongrantor trusts	9,050	9,050
Beginning of 35% Bracket		
Joint or Qualifying Widow	\$413,350	\$411,500
Single	413,350	411,500
Head of Household	413,350	411,500
Married Filing Separately	206,675	205,750
Estates and Nongrantor trusts	12,400	12,300
Beginning of 39.6% Bracket		
Joint or Qualifying Widow	\$466,950	\$464,850
Single	415,050	413,200
Head of Household	441,000	439,000
Married Filing Separately	233,475	232,425
Estates and Nongrantor trusts	12,400	12,300
Beginning of 3.8%/1.9% Medicare Tax Limits		
Joint or Qualifying Widow	\$250,000	\$250,000
Single	200,000	200,000
Head of Household	200,000	200,000
Married Filing Separately	125,000	125,000
Estates and Nongrantor trusts	12,400	12,300
Beginning of 20% Capital Gain Limit		
Joint or Qualifying Widow	\$466,950	\$464,850
Single	415,050	413,200
Head of Household	441,000	439,000
Married Filing Separately	233,475	232,425
Estates and Nongrantor trusts	12,400	12,300
Beginning of Itemized Deduction Phaseout		
Joint	\$311,300	\$309,900
Single	259,400	258,250
Head of Household	285,350	284,050
Married Filing Separately	155,650	154,950
AMT Exemption¹		
Joint or Surviving Spouse	\$83,800	\$83,400
Single or Head of Household	53,900	53,600
Married Filing Separately	41,900	41,700
AMT Kiddie Tax Exemption	\$7,400	\$7,400

	2016	2015
Child Tax Credit¹	\$1,000	\$1,000
Phase-out (based on Modified Adjusted Gross Income)		
Joint	\$110,000	\$110,000
Single	75,000	75,000
Head of Household	75,000	75,000
Married Filing Separately	55,000	55,000
Dependent Care Credit (max 2 kids)¹	\$600/Child	\$600/Child
Phase-out (based on Modified AGI)		
Joint, Single, Head of Household	\$15-\$43,000	\$15-\$43,000
Married Filing Separately	No Credit	No Credit
Earned Income Credit¹		
Maximum Credit Amount		
No Children	\$506	\$503
One Child	3,373	3,359
Two Children	5,572	5,548
Three or More Children	6,269	6,242
Earned Income Maximum for Credit		
No Children	\$6,610	\$6,580
One Child	9,920	9,880
Two Children	13,930	13,870
Three or More Children	13,930	13,870
Disqualified Investment Income Limit	\$3,400	\$3,400
Lifetime Learning Credit (Max Amount)¹	\$2,000	\$2,000
Phase-out (based on Modified AGI)		
Joint	\$111-131,000	\$110-130,000
Single	\$55-65,000	\$55-65,000
Head of Household	\$55-65,000	\$55-65,000
Married Filing Separately	No Credit	No Credit
Tuition Deduction¹	\$4,000	\$4,000
Phase-out Limit	2,000	2,000
Phase-out (based on Modified AGI)		
Joint	\$130 - \$160,000	\$130 - \$160,000
Single	\$65-\$80,000	\$65-\$80,000
Head of Household	\$65-\$80,000	\$65-\$80,000
Married Filing Separately	No Deduction	No Deduction
Education Loan Interest¹	\$2,500	\$2,500
Phase-out (based on Modified AGI)		
Joint	\$130-\$160,000	\$130-\$160,000
Single	\$65-\$80,000	\$65-\$80,000
Head of Household	\$65-\$80,000	\$65-\$80,000
Married Filing Separately	\$65-\$80,000	\$65-\$80,000
Retirement⁸		
Maximum PSP Contribution	\$53,000	\$53,000
Maximum PSP Contribution Compensation	265,000	265,000
Maximum 401(k) exclusion	18,000	18,000
SIMPLE Maximum Contribution	12,500	12,500
Catch-up Contributions: (Over age 50)		
Medical Savings Accounts¹		
Self-only coverage		
Plan Minimum deductible	\$2,250	\$2,200
Plan Maximum deductible	3,350	3,300
Plan out-of-pocket limit	4,450	4,450
Family Coverage		
Plan Minimum deductible	\$4,450	\$4,450
Plan Maximum deductible	6,700	6,650
Plan out-of-pocket limit	8,150	8,150

	2016	2015
Standard Deduction¹		
Joint or Qualifying Widow	\$12,600	\$12,600
Single	6,300	6,300
Head of Household	9,300	9,250
Married Filing Separately	6,300	6,300
Additional for Elderly/Blind - Married	1,250	1,250
Additional for Elderly/Blind - Unmarried	1,550	1,550
Taxpayer claimed as a dependant	1,050	1,050
Personal/Dependent Exemption¹	\$4,050	\$4,000
Kiddie Tax exemption¹	\$2,100	\$2,100
Beginning of Exemption Phase-out¹		
Married Filing Joint	311,300	309,900
Single	259,400	258,250
Head of Household	285,350	284,050
Married Filing Separately	155,650	154,950

Social Security⁷		
Maximum earnings subject to SS tax	118,500	118,500
Maximum earnings and still be eligible to receive full Social Security benefits:		
Under full retirement age at year-end	15,720	15,720
Year FRA reached (months up to FRA only)	41,880	41,880
Month FRA reached and later	No Limit	No Limit
Earnings needed to earn one quarter of coverage	1,260	1,220
Maximum Social Security benefits (per month)	2,639	2,663
Disability—Substantial gainful activity thresholds (per month)		
Non-blind	1,130	1,090
Blind	1,820	1,820
SSI federal payment standard (per month)		
Individual	733	733
Couple	1,100	1,100

Medicare Part B monthly premium³		
Single		
\$85,000 or less	\$121.80	\$104.90
\$85-107,000	170.50	146.90
\$107-160,000	243.60	209.80
\$160-214,000	316.70	272.70
Above \$214,000	389.80	335.70
Married Filing Jointly		
\$170,000 or Less	\$121.80	\$104.90
\$170-214,000	170.50	146.90
\$214-320,000	243.60	209.80
\$320-428,000	316.70	272.70
Above \$ 428,000	389.80	335.70
Married Filing Separate		
\$85,000 or less	\$121.80	\$104.90
\$85-129,000	316.70	272.70
Above \$129,000	389.70	335.70
Hospital deductible (Part A)³	\$1,288	\$1,260.00
Medical deductible (Part B)³	166	147.00

Sources

- 1 2016-Rev. Proc 2015-35, 2015-Rev. Proc 2014-61
- 2 "2016 Social Security Changes," Social Security Administration.
- 3 2016-CMS Release 11-10-15, 2015-CMS Release 10-09-14
- 4 Tres Reg § 1.401(a)(9)-9
- 5 "The Fee for not having Health Insurance," Healthcare.gov.
- 6 "Retirement Planner: Full Retirement Age" Social Security Administration.
- 7 2016-SSA Release 10-15-15, 2015-SSA Release 10-22-14
- 8 2016-IR News Release 2015-118, 2016-IR News Release 2014-99

Required Minimum Distributions (RMDs)

You cannot keep retirement funds in your account indefinitely. You generally have to start taking withdrawals from your IRA, SIMPLE IRA, SEP IRA, or retirement plan account when you reach age 70½. Roth IRAs do not require withdrawals until after the death of the owner. Your required minimum distribution is the minimum amount you must withdraw from your account each year.

- / You can withdraw more than the minimum required amount.
- / Your withdrawals will be included in your taxable income except for any part that was taxed before (your basis) or that can be received tax-free (such as qualified distributions from designated Roth accounts).

Calculating the required minimum distribution

The required minimum distribution for any year is the account balance as of the end of the immediately preceding calendar year divided by a distribution period from the IRS's "Uniform Lifetime Table." A separate table is used if the sole beneficiary is the owner's spouse who is ten or more years younger than the owner.

Beginning date for your first required minimum distribution

- / IRAs (including SEP and SIMPLE IRAs)
 - April 1 of the year following the calendar year in which you reach age 70½.
- / 401(k), profit-sharing, 403(b), or other defined contribution plan
 - Generally, April 1 following the later of the calendar year in which you reach age 70½ or retire.

Consequence for failing to take required minimum distributions

If you do not take any distributions, or if the distributions are not large enough, you may have to pay a 50% excise tax on the amount not distributed as required.

- / To report the excise tax, you may have to file Form 5329, Additional Taxes on Qualified Plans (Including IRAs) and Other Tax-Favored Accounts.
- / See the Form 5329 instructions for additional information about this tax.

This information is taken from the website of the Internal Revenue Service. Please consult [https://www.irs.gov/Retirement-Plans/Plan-Participant,-Employee/Retirement-Topics-Required-Minimum-Distributions-\(RMDs\)](https://www.irs.gov/Retirement-Plans/Plan-Participant,-Employee/Retirement-Topics-Required-Minimum-Distributions-(RMDs)) for updated rules and regulations.

Full Retirement Age(FRA)⁶		
Year of Birth	Social Security FRA	Age 62 Reduction
1941	age 65 and 8 months	23.33%
1942	age 65 and 10 months	24.17%
1943-1954	age 66	25.00%
1955	age 66 and 2 months	25.83%
1956	age 66 and 4 months	26.67%
1957	age 66 and 6 months	27.50%
1958	age 66 and 8 months	28.33%
1959	age 66 and 10 months	29.17%
1960 and later	age 67	30.00%

Social Security Cost-of-living adjustments²

Year	COLA %
1998	1.30%
1999	2.50%
2000	3.50%
2001	2.60%
2002	1.40%
2003	2.10%
2004	2.70%
2005	4.10%
2006	3.30%
2007	2.30%
2008	5.80%
2009	0.00%
2010	0.00%
2011	3.60%
2012	1.70%
2013	1.50%
2014	1.70%
2015	1.70%

This document provides general information on the 2016 tax structure and is deemed reliable at the time of print in January 2016. This document is not designed or intended to provide specific legal or tax advice and should not be used to promote, market, or recommend any tax strategy. WealthVest and WealthVest employees and agents do not provide tax or legal advice. Individuals are encouraged to consult a tax advisor or attorney.

Uniform Lifetime Table⁴

Employee's Age	Distribution Period
70	27.4
71	26.5
72	25.6
73	24.7
74	23.8
75	22.9
76	22
77	21.2
78	20.3
79	19.5
80	18.7
81	17.9
82	17.1
83	16.3
84	15.5
85	14.8
86	14.1
87	13.4
88	12.7
89	12
90	11.4
91	10.8
92	10.2
93	9.6
94	9.1
95	8.6
96	8.1
97	7.6
98	7.1
99	6.7
100	6.3
101	5.9
102	5.5
103	5.2
104	4.9
105	4.5
106	4.2
107	3.9
108	3.7
109	3.4
110	3.1
111	2.9
112	2.6
113	2.4
114	2.1
115+	1.9

Single Life Expectancy Table⁴

Age	Life Expectancy	Age	Life Expectancy
0	82.4	56	28.7
1	81.6	57	27.9
2	80.6	58	27
3	79.7	59	26.1
4	78.7	60	25.2
5	77.7	61	24.4
6	76.7	62	23.5
7	75.8	63	22.7
8	74.8	64	21.8
9	73.8	65	21
10	72.8	66	20.2
11	71.8	67	19.4
12	70.8	68	18.6
13	69.9	69	17.8
14	68.9	70	17
15	67.9	71	16.3
16	66.9	72	15.5
17	66	73	14.8
18	65	74	14.1
19	64	75	13.4
20	63	76	12.7
21	62.1	77	12.1
22	61.1	78	11.4
23	60.1	79	10.8
24	59.1	80	10.2
25	58.2	81	9.7
26	57.2	82	9.1
27	56.2	83	8.6
28	55.3	84	8.1
29	54.3	85	7.6
30	53.3	86	7.1
31	52.4	87	6.7
32	51.4	88	6.3
33	50.4	89	5.9
34	49.4	90	5.5
35	48.5	91	5.2
36	47.5	92	4.9
37	46.5	93	4.6
38	45.6	94	4.3
39	44.6	95	4.1
40	43.6	96	3.8
41	42.7	97	3.6
42	41.7	98	3.4
43	40.7	99	3.1
44	39.8	100	2.9
45	38.8	101	2.7
46	37.9	102	2.5
47	37	103	2.3
48	36	104	2.1
49	35.1	105	1.9
50	34.2	106	1.7
51	33.3	107	1.5
52	32.3	108	1.4
53	31.4	109	1.2
54	30.5	110	1.1
55	29.6	111+	1