



# You Should Know

## 2016 Tax Data You Should Know

*Many limitations and thresholds which are related to taxation change from year to year; some do not. Below is a listing of the 2016 numbers for some key tax matters.*

### Estate, Gift, and Generation-Skipping Transfer (GST) Taxes

Top Estate, Gift, & GST Tax Rate	40%
Annual Gift Tax Exclusion	\$14,000
Annual Gift Tax Exclusion for Non-U.S. Spouse	\$148,000
Estate & Gift Tax Exemption	\$5,450,000
GST Tax Exemption	\$5,450,000

### Qualified Retirement Plan Limits

Defined Benefit Plans Maximum Annual Benefit	\$210,000
Defined Contribution Plans Maximum Annual Contribution	\$53,000
Elective Deferral Limit for 401(k), 403(b), 457(b), TSP	\$18,000
“Catch-up” Contribution Allowed for Persons Over Age 50 at Year End in 401(k), 403(b), 457, TSP	\$6,000
Elective Deferral Limit for SIMPLE IRAs and SIMPLE 401(k) Plans	\$12,500
Catch-up for SIMPLE IRAs and SIMPLE 401(k) Plans (age 50 or older)	\$3,000
Key Employee – Threshold Compensation for Officer	\$170,000
Minimum Compensation Amount for SEPs	\$600
Maximum Annual Compensation Taken into Account for Qualified Plans under IRC § 401(a)(17)/404(l)	\$265,000
Highly Compensated Employee: Compensation Threshold	\$120,000
ESOP Additional Year Threshold / 5 Year Distribution Threshold	\$210,000 / \$1,070,000
Contribution Limit for IRAs (Traditional and Roth Combined)	\$5,500
Catch-up for IRAs (Traditional and Roth Combined)	\$1,000

### Eligible Long-Term Care Insurance

(per diem limit on tax-free benefit = \$340)

Attained Age in 2016	Limitation on Deductible Premiums
40 or less	\$390
41 to 50	\$730
51 to 60	\$1,460
61 to 70	\$3,900
More than 70	\$4,870



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## Income Tax Rates

Income Tax Rates	<u>Ordinary Taxable Income</u>	<u>Marginal Ordinary Income Tax Rate</u>	<u>Long-Term Capital Gain Tax Rate</u>
	<u>Single</u>	<u>Married Filing Jointly</u>	
\$0 - \$9,275	\$0 - \$18,550	10%	0%
\$9,276 - \$37,650	\$18,551 - \$75,300	15%	0%
\$37,651 - \$91,150	\$75,301 - \$151,900	25%	15%
\$91,151 - \$190,150	\$151,901 - \$231,450	28%	15%
\$190,151 - \$413,350	\$231,451 - \$413,350	33%	15%
\$413,351 - \$415,050	\$413,351 - \$466,950	35%	15%
Over \$415,050	Over \$466,950	39.6%	20%
Net Investment Income Tax (Medicare Contribution Tax)	3.8% (lesser of net investment income or excess of modified adjusted gross income over \$200,000 [single] or \$250,000 [joint])		

## Income Tax Exemptions

Personal and Dependent Deductions	\$4,050 each*
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\*Exemptions are phased out by 2% for each \$2,500, or portion thereof, above specified income thresholds (\$259,400 single; \$311,300 joint).

## Income Tax Standard Deductions

Joint Returns and Surviving Spouses	\$12,600
Heads of Household	\$9,300
Single Taxpayers	\$6,300
Married Filing Separately	\$6,300
Persons Claimed as Dependent on Another Tax Return	\$1,050 (or \$350 plus earned income, if greater)
Age 65 and Older or Blind - Single or Head of Household	Additional \$1,550 each
Age 65 and Older or Blind - All Other Taxpayers	Additional \$1,250 each

## "Kiddie" Tax

(children under age 18; children under age 19 with earned income less than ½ of support; dependent full-time students under age 24 with earned income less than ½ of support)

Exemption	\$2,100*
AMT exemption	\$7,400 plus child's earned income

\*First \$1,050 of unearned income offset by standard deduction; next \$1,050 of unearned income taxed at child's rate. Amounts over \$2,100 of unearned income are taxed at the parent's rate.



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## Social Security

Earnings Base	\$118,500
Rate of tax	6.2%
Rate of tax on Self-Employed	12.4%

## Medicare

Earnings Base	(base unlimited)
Rate of tax	1.45% (2.9% for self-employed) employer match (no employer match for self-employed)
(for taxpayers with wages or self-employment income of \$200,000 or less [single], or \$250,000 or less [joint])	
Rate of tax, including 0.9% Medicare surtax, on wages or self-employment income over \$200,000 [single] or \$250,000 [joint])	2.35% (3.8% self-employed) (no employer match for self-employed) (no employer match for Medicare surtax)

## Health Savings Account

Coverage	Minimum Deductible	Maximum Contribution	Maximum Out-of-Pocket
Self-Only	\$1,300	\$3,350	\$6,550
Family	\$2,600	\$6,750	\$13,100
Over 55 - additional contribution		\$1,000	

## Archer Medical Savings Account

Coverage	Minimum Deductible	Maximum Deductible	Maximum Out-of-Pocket
Self-Only (HDHP)	\$2,250	\$3,350	\$4,450
Family (HDHP)	\$4,450	\$6,700	\$8,150

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