

## 2018 Tax Reference Guide Information as of 5/1/2018

This guide covers commonly requested federal tax rates, retirement contribution limits, and related items.

### Standard Deductions

Tax Filing Status	Annual	Additional, age 65+ or blind
Married Filing Jointly and Qualifying Widow(er)s	\$24,000	\$1,300
Single	\$12,000	\$1,600
Head of Household	\$18,000	\$1,600

### Payroll Taxes

Tax For:	Social Security (OASDI)	Medicare (HI)
Maximum Compensation	\$128,400	No limit
Tax Rate (Employees)	6.20%	1.45%
Tax Rate (Self-Employed)	12.40%	2.90%

### Tax on Qualified Dividends<sup>1</sup> and Long Term Capital Gains<sup>2</sup>

Long-Term Capital Gains Rate	Single Taxpayer	Married Filing Jointly	Head of Household	Married Filing Separately
0%	Up to \$38,600	Up to \$77,200	Up to \$51,700	Up to \$38,600
15%	\$38,601-\$425,800	\$77,201-\$479,000	\$51,701-\$452,400	\$38,601-\$239,500
20%	Over \$425,800	Over \$479,000	Over \$452,400	Over \$239,500

<sup>1</sup> Qualified Dividends are those paid from a domestic or qualifying foreign corporation for a stock held 60 days during 121-day period that begins 60 days before the ex-dividend date.

<sup>2</sup> Long term capital gains tax rates generally apply for sales of securities held for at least 12 months. Otherwise, capital gains are taxed at the ordinary income tax rates.

### Estate and Gift Tax

Estate and gift tax top rate	40%
Estate tax exclusion	\$11,200,000
Lifetime gift exclusion	\$11,200,000
Generation Skipping Transfer Tax (GSTT)	\$11,200,000
Gift tax annual exclusion	\$15,000
Annual exclusion for gifts to noncitizen spouse	\$152,000

### Tax Tables

Over...	But not over...	Tax (\$)	Plus % on excess	Of the amount over...
<b>Single</b>				
\$0	\$9,525	\$0.00	10%	\$0
\$9,525	\$38,700	\$952.50	12%	\$9,525
\$38,700	\$82,500	\$4,453.50	22%	\$38,700
\$82,500	\$157,500	\$14,089.50	24%	\$82,500
\$157,500	\$200,000	\$32,089.50	32%	\$157,500
\$200,000	\$500,000	\$45,689.50	35%	\$200,000
\$500,000	••••	\$150,689.50	37%	\$500,000

### Joint Returns and Surviving Spouses

\$0	\$19,050	\$0	10%	\$0
\$19,050	\$77,400	\$1,905.00	12%	\$19,050
\$77,400	\$165,000	\$8,907.00	22%	\$77,400
\$165,000	\$315,000	\$28,179.00	24%	\$165,000
\$315,000	\$400,000	\$64,179.00	32%	\$315,000
\$400,000	\$600,000	\$91,379.00	35%	\$400,000
\$600,000	••••	\$161,379.00	37%	\$600,000

### Head of Households

\$0	\$13,600	\$0	10%	\$0
\$13,600	\$51,800	\$1,360.00	12%	\$13,600
\$51,800	\$82,500	\$5,944.00	22%	\$51,800
\$82,500	\$157,500	\$12,698.00	24%	\$82,500
\$157,500	\$200,000	\$30,698.00	32%	\$157,500
\$200,000	\$500,000	\$44,298.00	35%	\$200,000
\$500,000	••••	\$149,298.00	37%	\$500,000

### Married Filing Separate Returns

\$0	\$9,525	\$0	10%	\$0
\$9,525	\$38,700	\$952.50	12%	\$9,525
\$38,700	\$82,500	\$4,453.50	22%	\$38,700
\$82,500	\$157,500	\$14,089.50	24%	\$82,500
\$157,500	\$200,000	\$32,089.50	32%	\$157,500
\$200,000	\$300,000	\$45,689.50	35%	\$200,000
\$300,000	••••	\$80,689.50	37%	\$300,000

### Estates and Trusts

\$0	\$2,550	\$0	10%	\$0
\$2,550	\$9,150	\$255.00	24%	\$2,550
\$9,150	\$12,500	\$1,839.00	35%	\$9,150
\$12,500	••••	\$3,011.50	37%	\$12,500

### Education Accounts

#### Section 529 College Savings Account contribution limit

Contributions are completed gifts subject to the annual gift-tax exclusion and are removed from the contributor's federal estate. Under a special rule, 5 years' worth of gifts can be made in one year and prorated over a 5-year period without incurring gift taxes or reducing the contributor's unified estate and gift tax credit. If the contributor dies before the 5-year prorating period expires, the contributions allocated to the remaining years move back into the contributor's taxable estate.

	Annual single contribution per beneficiary	Five-year contribution made in a single year per beneficiary
Single	\$15,000	\$75,000
Married Filing Jointly	\$30,000	\$150,000

Tax-free treatment applies to withdrawals used to pay for qualified higher-education expenses. Federal tax-free withdrawals are now allowed for private elementary and secondary school expense up to \$10,000 per student, per year. The earnings portion of withdrawals used for non-qualified expenses may be subject to federal income taxes plus an additional 10% tax penalty and may be subject to state income or other taxes.

#### Coverdell Education Savings Account (ESA)

##### ESA annual contribution limit (aggregate per recipient)

Beneficiaries under age 18 and special-need beneficiaries of any age	\$2,000
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##### Phase-out ranges (based on MAGI of contributor)

Married Filing Jointly	\$190,000-\$220,000
All Others	\$95,000-\$110,000

Tax-free treatment applies to withdrawals used to pay for qualified education expenses, not limited to higher-education. The earnings portion of withdrawals used for non-qualified expenses may be subject to federal income taxes plus an additional 10% tax penalty and may be subject to state income or other taxes.

### Education Credits

#### American Opportunity Tax Credit phase-out (AGI)

Married Filing Jointly	\$160,000-\$180,000
All Others	\$80,000-\$90,000

#### Lifetime Learning Credit phase-out (AGI)

Married Filing Jointly	\$114,000-\$134,000
All Others	\$57,000-\$67,000

### Kiddie Tax

(Under age 19<sup>3</sup> with net unearned income)

Net Unearned Income Under \$2,100	No Tax
Net Unearned Income Over \$2,100	Use Estates and Trusts Tax Table

<sup>3</sup> Under age 24 if a full-time student whose earned income does not exceed half of his or her own support for the year.

### Child Tax Credit

\$2,000 credit per child	with MAGI up to <sup>4</sup> ...
Married Filing Jointly	\$400,000
Single	\$200,000
Head of Household	\$200,000
Married Filing Separately	\$200,000

<sup>4</sup> A reduction of credit by \$50 applies for every \$1,000 that MAGI exceeds the listed income limit.

## Social Security Full Retirement Age (FRA)

Initiating benefits before FRA (as early as 62) may result in a decreased benefit by up to 30%, while delaying past FRA may result in an annual increase of 8% through age 70 for those born after 1942.

Year of Birth	FRA Attained
1943-1954	66
1955	66 and 2 months
1956	66 and 4 months
1957	66 and 6 months
1958	66 and 8 months
1959	66 and 10 months
1960 or later	67

## Social Security Taxable Portion

Provisional Income (AGI + Nontaxable Interest + ½ of Social Security Benefit) above the below amounts may result in a portion of social security benefits being taxable.

Single Filers	Joint Filers	Amount Taxable
Below \$25,000	Below \$32,000	0%
\$25,000-\$34,000	\$32,000-\$44,000	50%
Above \$34,000	Above \$44,000	85%

## Social Security Benefits

1 quarter of coverage <sup>6</sup> credited after earnings of	\$1,320
Maximum monthly benefit (worker claiming at FRA)	\$2,788
Maximum monthly benefit (worker claiming at age 70)	\$3,698
Cost-of-Living Adjustment (from 2017 benefit)	2%

<sup>6</sup> 40 quarters of coverage is generally required in order to qualify for maximum social security retirement benefits.

## Social Security Benefit Reduction

For those working and receiving social security, earned income above certain amounts may result in a reduction of the social security benefit received depending on the age of the recipient.

Age	\$1 of Social Security Withheld for every \$2 in earnings above...
Under Full Retirement Age	\$17,040
Under Full Retirement Age, but will attain FRA later in the same year	\$45,360
Full Retirement Age and Over	No limit

## Health Savings Accounts (HSAs)

### HSA annual contribution limit

Contributions to an HSA may be made by certain individuals covered by a High Deductible Health Plan (HDHP). The annual contribution limit assumes coverage under an eligible plan for the entire calendar year.

Self-Only Coverage	\$3,450
Family Coverage	\$6,900
Age 55+ Catch-up	\$1,000

### HDHP limits

A HDHP is considered HSA-compatible if it satisfies the annual deductible and out-of-pocket expenses limits below.

	Minimum Annual Deductible	Maximum Out-of-Pocket Expenses
Self-Only Coverage	\$1,350	\$6,650
Family Coverage	\$2,700	\$13,300

## Net Investment Income Tax (3.8% Medicare Surtax)

Under the Affordable Care Act, for filers with Modified Adjusted Gross Income (MAGI) exceeding the MAGI listed below, the surtax generally applies on an amount of the lesser of either Net Investment Income or the MAGI that exceeds the MAGI listed below.

Tax Filing Status	MAGI
Married Filing Jointly	\$250,000
Married Filing Separately	\$125,000
Qualifying widow(er) w/ dep children	\$250,000
Single	\$200,000
Head of Household	\$200,000

Special rules apply for estates and trusts.

## Medicare Part B Premium

2016 Modified Adjusted Gross Income <sup>7</sup>		2018 Monthly Premium
Single	Married Filing Jointly	
Up to \$85,000	Up to \$170,000	\$134.00
Above \$85,000 up to \$107,000	Above \$170,000 up to \$214,000	\$187.50
Above \$107,000 up to \$133,500	Above \$214,000 up to \$267,000	\$267.90
Above \$133,500 up to \$160,000	Above \$267,000 up to \$320,000	\$348.30
More than \$160,000	More than \$320,000	\$428.60

<sup>7</sup> 2018 monthly premium amounts are based on the taxpayer's Modified Adjusted Gross Income (MAGI) for 2016.

## Traditional and Roth IRA

### IRA annual contribution limit

Contribution Limit	\$5,500
50+ Catch-up	\$1,000

### Traditional IRA deductibility phase-out (MAGI)

#### Participants in employer plans

Married filing jointly	\$101,000-\$121,000
Married filing separately	\$0-\$10,000
All others	\$63,000-\$73,000

#### Nonparticipant married to a participant

	\$189,000-\$199,000
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#### Neither spouse is a participant

	Fully deductible
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### Roth IRA contribution eligibility phase-out (MAGI)

Married filing jointly	\$189,000-\$199,000
Married filing separately	\$0-\$10,000
All others	\$120,000-\$135,000

## Employer-Sponsored Retirement Plans

401(k), 403(b), 457(b) salary deferral <sup>5</sup>	\$18,500
50+ Catch-up	\$6,000
SIMPLE salary deferral	\$12,500
50+ Catch-up	\$3,000
Defined contribution plan or SEP contribution	\$55,000
Defined benefit plan annual benefit maximum	\$220,000
Maximum compensation considered	\$275,000
Highly compensated employee	\$120,000
Key employee – Officer	\$175,000

<sup>5</sup> Special catch-up rules apply to certain 403(b) contributors with 15 or more years of service and governmental 457(b) participants in the last 3 years before retirement.

## Required Minimum Distributions (RMDs)

The Uniform Lifetime Table below may be used by all IRA owners to calculate RMDs starting at age 70. If the owner's sole beneficiary for the entire year is a spouse who is more than 10 years younger, the Joint Life Expectancy Table may be used instead, which generally reduces the RMD.

Account owner age	Divisor	Account owner age	Divisor
70	27.4	83	16.3
71	26.5	84	15.5
72	25.6	85	14.8
73	24.7	86	14.1
74	23.8	87	13.4
75	22.9	88	12.7
76	22.0	89	12.0
77	21.2	90	11.4
78	20.3	91	10.8
79	19.5	92	10.2
80	18.7	93	9.6
81	17.9	94	9.1
82	17.1	95	8.6

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