



# 2018 tax year: IRS tax and retirement contribution guide

Income tax			
Filing status	Taxable income	The tax is	of the amount over
Single	Not more than \$9,525	10%	
	\$9,526–\$38,700	\$952.50 + 12%	\$9,525
	\$38,701–\$82,500	\$4,453.50 + 22%	\$38,700
	\$82,501–\$157,500	\$14,089.50 + 24%	\$82,500
	\$157,501–\$200,000	\$32,089.50 + 32%	\$157,500
	\$200,001–\$500,000	\$45,689.50 + 35%	\$200,000
	\$500,001 or more	\$150,689.50 + 37%	\$500,000
Married filing jointly	Not more than \$19,050	10%	
	\$19,051–\$77,400	\$1,905.00 + 12%	\$19,050
	\$77,401–\$165,000	\$8,907.00 + 22%	\$77,400
	\$165,001–\$315,000	\$28,179.00 + 24%	\$165,000
	\$315,001–\$400,000	\$64,179.00 + 32%	\$315,000
	\$400,001–\$600,000	\$91,379.00 + 35%	\$400,000
	\$600,001 or more	\$161,379.00 + 37%	\$600,000
Head of household	Not more than \$13,600	10%	
	\$13,601–\$51,800	\$1,360.00 + 12%	\$13,600
	\$51,801–\$82,500	\$5,944.00 + 22%	\$51,800
	\$82,501–\$157,500	\$12,698.00 + 24%	\$82,500
	\$157,501–\$200,000	\$30,698.00 + 32%	\$157,500
	\$200,001–\$500,000	\$44,298.00 + 35%	\$200,000
	\$500,001 or more	\$149,298.00 + 37%	\$500,000
Married filing separately	Not more than \$9,525	10%	
	\$9,526–\$38,700	\$952.50 + 12%	\$9,525
	\$38,701–\$82,500	\$4,453.50 + 22%	\$38,700
	\$82,501–\$157,500	\$14,089.50 + 24%	\$82,500
	\$157,501–\$200,000	\$32,089.50 + 32%	\$157,500
	\$200,001–\$300,000	\$45,689.50 + 35%	\$200,000
	\$300,001 or more	\$80,689.50 + 37%	\$300,000

Taxation of children (kiddie tax)	
Not more than \$1,050	0%
Earned income greater than \$1,050	Child's tax rate
Unearned income* not more than \$2,550	10%
Unearned income between \$2,551 and \$9,150	\$255 + 24% of the amount over \$2,550
Unearned income between \$9,151 and \$12,500	\$1,839 + 35% of the amount over \$9,150
Unearned income between \$12,501 or more	\$3,011.50 + 37% of the amount over \$12,500

\*For a child under the age of 19 (or a full-time student under the age of 24) as of the end of the year.

Standard deduction and personal exemption		
Filing status	Standard deduction	Personal and dependency exemption
Single	\$12,000	Eliminated
Married filing jointly	\$24,000	Eliminated
Married filing separately	\$12,000	Eliminated
Head of household	\$18,000	Eliminated
Dependent who can be claimed by another taxpayer	The greater of \$1,050 or the sum of \$350 plus the individual's earned income	

Investment taxes				
Single	Married filing jointly	Married filing separately	Head of household	Tax rate
Long-term capital gains and qualified dividends tax (thresholds for taxable income)				
Up to \$38,600	Up to \$77,200	Up to \$38,600	Up to \$51,700	0%
\$38,601 up to \$425,800	\$77,201 up to \$479,000	\$38,601 up to \$239,500	\$51,701 up to \$452,400	15%
More than \$425,800	More than \$479,000	More than \$239,500	More than \$452,400	20%
Net investment income tax (MAGI thresholds)				
More than \$200,000	More than \$250,000	More than \$125,000	More than \$200,000	3.8%*

\*The 3.8% net investment income tax (also known as the Medicare surtax) applies to the lesser of net investment income or modified adjusted gross income (MAGI) exceeding the thresholds shown above. This tax doesn't apply to municipal bond interest, qualified retirement plan withdrawals, or IRA withdrawals.

Estate planning	
Annual gift tax exclusion	\$15,000
Top gift, estate, and generation-skipping transfer (GST) tax rate	40%
Gift tax and estate tax applicable exclusion amount	\$11,200,000 + DSUEA*
GST tax exemption	\$11,200,000**

\* Basic exclusion amount plus deceased spousal unused exclusion amount (DSUEA). Exclusion is portable.

\*\* The GST tax exemption is not portable.

Alternative minimum tax (AMT)		
	Maximum exemption amount	Exemption phaseout threshold
Single or head of household	\$70,300	\$500,000
Married filing jointly	\$109,400	\$1,000,000
Married filing separately	\$54,700	\$500,000

Note: A 26% rate applies to AMT income up to \$191,500 (\$97,500 if married filing separately); a 28% rate applies to AMT income over \$191,500 (\$96,750 if married filing separately).

Roth IRA phaseout ranges	
Filing status	Income range
Single or head of household	\$120,000–\$135,000
Married, filing jointly	\$189,000–\$199,000
Married, filing separately*	\$0–\$10,000

\* If you and your spouse didn't live together during the taxable year, your filing status will be viewed as single for ROTH IRA contribution purposes.

Contribution and out-of-pocket limits for Health Savings Accounts (HSA) and High-Deductible Health Plans (HDHP)	
HSA contribution limit*	Individual: \$3,450; Family: \$6,900
HDHP minimum deductibles	Individual: \$1,350; Family: \$2,700
HDHP maximum out-of-pocket amounts	Individual: \$6,650; Family: \$13,300

\* Plus \$1,000 per year if age 55 or older.

Flexible Spending Account (FSA) limits	
Health FSA maximum election	\$2,650
Dependent care FSA maximum election	\$5,000

#### IRA contribution and deduction limits if covered by a retirement plan at work

If your filing status is...	And your MAGI is...	Then you can take...
single of head of household	\$63,000 or less	a full deduction up to the amount of your
	more than \$63,000 but less than \$73,000	a partial deduction
	\$73,001 or more	no deduction
married filing jointly or qualifying widow(er)	\$101,000 or less	a full deduction up to the amount of your
	more than \$101,000 but less than \$121,000	a partial deduction
	\$121,001 or more	no deduction
married filing separately	less than \$10,000	a partial deduction
	\$10,001 or more	no deduction

Note: If you file separately and did not live with your spouse at any time during the year, your IRA deduction is determined under the single-filing status.

Uniform Lifetime Table for calculating requirement minimum distributions			
Your age	Life expectancy factor	Your age	Life expectancy factor
70	27.4	81	17.9
71	26.5	82	17.1
72	25.6	83	16.3
73	24.7	84	15.5
74	23.8	85	14.8
75	22.9	86	14.1
76	22.0	87	13.4
77	21.2	88	12.7
78	20.3	89	12.0
79	19.5	90	11.4
80	18.7	—	—

Note: This is an excerpt of the IRS table. For the complete IRS Uniform Lifetime Table, refer to IRS Publication 590, available on the IRS website. If your spouse is more than ten years younger than you and is the sole primary beneficiary, you must use the Joint Life and Last Survivor Expectancy Table.

Annual limits for retirement accounts	
<b>Contribution limits</b>	
Annual IRA contribution (under age 50)	\$5,500
Annual IRA contribution (age 50 or older)	\$6,500
Annual 401(k), 403 (b), and most 457 salary deferral limit (under age 50)	\$18,500
Annual 401(k), 403 (b), and most 457 salary deferral limit (age 50 or older)*	\$24,500
Annual additions limit under defined contribution plan (total of employee & employer contributions)	\$55,000
Includable compensation for computing contributions.	\$275,000
SIMPLE salary deferral limit (under age 50)	\$12,500
SIMPLE salary deferral limit (age 50 or older)	\$15,500
<b>Compensation limits</b>	
Annual compensation for determining a highly compensated employee (used in 401(k) nondiscrimination tests)	\$120,000
Annual compensation amount for SEP participation	\$600

\*Only 457(b) plans of state and local governments may allow catch-up-contributions for participants who are age 50 or older. Some plans also allow special 457(b) catch-up contributions. Refer to plan details for further information.

Social Security	
	Tax rate
Employee	7.65%
Self-employed	15.30%

Note: The 7.65% tax rate is the combined rate for Social Security and Medicare. The Social Security portion (Old Age, Survivors, and Disability Insurance, or OASDI) is 6.20% on earnings up to the applicable taxable maximum amount (see below). The Medicare portion (high income, or HI) is 1.45% on all earnings. Also as of January 2013, individuals with earned income of more than \$200,000 (\$250,000 for married couples filing jointly) pay an additional 0.9% in Medicare taxes. The tax rates shown above do not include the 0.9%.

Maximum taxable earnings	
Social Security (OASDI only)	\$128,400
Medicare (HI only)	No limit
Retirement earnings test exempt amounts:	
Under full-retirement age	\$17,040/yr. (\$1,420/mo.) *
The year an individual reaches full retirement age	\$45,360/yr. (\$3,780/mo.) **

\* One dollar in benefits will be withheld for every \$2 in earnings above the limit.

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\*\* Applies only to earnings for months prior to attaining full retirement age. One dollar in benefits will be withheld for every \$3 in earnings above the limit.



Heartland Trust Company  
1202 27<sup>th</sup> Street South  
Fargo, ND 58103

Give us a call at (701) 235-2002  
or find us on the web at  
[www.heartlandtrust.com](http://www.heartlandtrust.com)

We recommend that you consult a tax advisor about your individual situation.