

Robert Gordon & Associates, Inc.

A Registered Investment Advisor – CERTIFIED FINANCIAL PLANNER™

2019 ANNUAL LIMITS RELATING TO FINANCIAL PLANNING

Compiled by the faculty of the College for Financial Planning

RETIREMENT PLANS	
Elective deferrals 401(k), 403(b), 457, and SARSEPs	\$19,000
Catch-up contribution	\$6,000
Defined contribution (§415(c)(1)(A))	\$56,000
Defined benefit (§415(b)(1)(A))	\$225,000
SIMPLE plan	\$13,000
SIMPLE catch-up contribution	\$3,000
Maximum includible compensation	\$280,000
Highly compensated employee	
Lookback to 2018	\$120,000
Lookback to 2019	\$125,000
Key employee (top-heavy plan)	>\$180,000
SEP participation limit	\$600
IRA or Roth IRA contribution limit	\$6,000
IRA or Roth IRA catch-up	\$1,000
IRA deduction phaseout for active participants	
Single	\$64,000-\$74,000
Married filing jointly	\$103,000-\$123,000
Married filing separately	\$0-\$10,000
Non-active participant married to active participant	\$193,000-\$203,000
Roth IRA phaseout	
Single	\$122,000-\$137,000
Married filing jointly	\$193,000-\$203,000

SOCIAL SECURITY	
SS wage base	\$132,900
FICA tax rate—employee ³	7.65%
SECA tax rate—self-employed	15.3%
Earnings limitation:	
Below FRA (\$1 for \$2)	\$17,640
Persons reaching FRA (\$1 for \$3)	\$46,920
(Appplies only to earnings for months prior to attaining FRA)	
Social Security cost-of-living adjustment	2.8%
Quarter of coverage	1,360
Maximum benefit: worker retiring at FRA	\$2,861
Estimated average monthly benefit	\$1,461

SOCIAL SECURITY FRA			
Year of Birth	Social Security FRA	Year of Birth	Social Security FRA
1943–54	66	1958	66 and 8 months
1955	66 and 2 months	1959	66 and 10 months
1956	66 and 4 months	1960 and later	67
1957	66 and 6 months		

ESTATE AND GIFT TAX	
Annual gift tax exclusion	\$15,000
Estate & gift tax basic exclusion	\$11,400,000
Applicable credit amount	\$4,505,800
Generation skipping exemption	\$11,400,000
Maximum estate tax rate ⁴	40%

MEDICARE	
Monthly premium:	
Part A ¹	\$437
Part B ²	\$135.50
Part A:	
First 60 days—patient pays a deductible	\$1,364
Next 30 days—patient pays per day	\$341
Next 60 days (lifetime reserve days) patient pays per day	\$682
Skilled nursing benefits	
First 20 days—patient pays per day	-0-
Next 80 days—patient pays per day	\$170.50
Over 100 days—patient pays per day	All costs
Part B:	
Deductible	\$185
Coinsurance	20%
Part D (Prescription Standard Benefit Model):	
Deductible	\$415
25% coinsurance on next	\$3,820
Out-of-pocket (OOP) threshold	\$5,100
Beneficiary then pays coinsurance amount for additional covered expenses.	

2019 MEDICARE PART B PREMIUM RATES:			
YOU PAY		If your 2017 income was:	
Premium	PART D Surcharge	SINGLE	MARRIED COUPLE
\$112.00 Hold Harmless		\$85,000 or less	\$170,000 or less
\$135.50-not Hold Harmless		\$85,000 or less	\$170,000 or less
\$189.60	\$12.40	\$85,001–\$107,000	\$170,001–\$214,000
\$270.90	\$31.90	\$107,001–\$133,500	\$214,001–\$267,000
\$352.20	\$51.40	\$133,501–\$160,000	\$267,001–\$320,000
\$433.40	\$70.90	\$160,001–\$500,000	\$320,001–\$750,000
\$460.50	\$77.40	Above \$500,000	Above \$750,000
YOU PAY	PART D Surcharge	If you are married filing separately and your 2017 income was:	
\$135.50		\$85,000 or less	
\$433.40	\$70.90	\$85,001–\$415,000	
\$460.50	\$77.40	Above \$415,000	

FIGURE - I

- The Part A premium of \$437 per month applies to persons who have fewer than 30 quarters of coverage under Social Security. For those having 30-39 quarters, the Part A Premium is \$240 per month.
- Beneficiaries not subject to the "hold harmless" provision includes persons not receiving Social Security, those who enroll in Part B for the first time in 2019, dual eligible beneficiaries who have their premiums paid by Medicaid, and beneficiaries who pay an additional income-related premium. **See Premium rates (Figure 1)**
- The FICA tax rate is comprised of two separate payroll taxes: Employer portion—6.20% for Old-Age, Survivors, and Disability Insurance (OASDI), and 1.45% for Hospital Insurance (HI); Employee portion—6.20% for Old-Age, Survivors, and Disability Insurance (OASDI), and 1.45% for Hospital Insurance (HI). For self-employed, the SECA is 12.40% for OASDI and 2.90% for HI.
- A deceased spouse's unused credit amount is portable to a surviving spouse.

Previous years may be found at: www.cffp.edu/annual-limits/

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STANDARD MILEAGE RATES	
Business use	58¢ per mile
Charitable use (not indexed)	14¢ per mile
Medical use	20¢ per mile

MISCELLANEOUS ITEMS	
PBGC maximum monthly benefit (at age 65)	\$5,607.95
LTC per diem limit	\$370
LTC premium as medical expense limitation	
Age 40 or under	\$420
Age 41-50	\$790
Age 51-60	\$1,580
Age 61-70	\$4,220
Age 71 or older	\$5,270
Qualified Transportation Fringes (monthly)	
Commuter highway vehicle/transit pass	\$265
Qualified parking	\$265
Qualified Longevity Annuity Contract	Max \$130,000
Health Care Flexible Spending Account	Max \$2,700

LTCG RATES BASED ON TAXABLE INCOME			
Filing Status	0% rate	15% rate	20% rate
Single	under \$39,375	\$39,375-\$434,550	over \$434,550
Head of household	under \$52,750	\$52,750-\$461,700	over \$461,700
Married filing jointly	under \$78,750	\$78,750-\$488,850	over \$488,850
Estates and trusts	under \$2,650	\$2,650-\$12,950	over \$12,950

2019 TAX RATE SCHEDULES				
If Taxable Income Is		Then the Gross Tax Payable Is:		
Over	But Not Over	Amount	Plus (percent)	Of the Amount Over
SINGLE TAXPAYERS (other than surviving spouses and heads of households)				
\$0	\$9,700	----- 10% of taxable income -----		
9,700	39,475	\$970	12%	\$9,700
39,475	84,200	4,543	22%	39,475
84,200	160,725	14,383	24%	84,200
160,725	204,100	32,749	32%	160,725
204,100	510,300	46,629	35%	204,100
510,300	--	153,799	37%	510,300
HEADS OF HOUSEHOLDS				
\$0	\$13,850	----- 10% of taxable income -----		
13,850	52,850	\$1,385	12%	\$13,850
52,850	84,200	6,065	22%	52,850
84,200	160,700	12,962	24%	84,200
160,700	204,100	31,322	32%	160,700
204,100	510,300	45,210	35%	204,100
510,300	--	152,380	37%	510,300
MARRIED INDIVIDUALS (and surviving spouses) FILING JOINT RETURNS				
\$0	\$19,400	----- 10% of taxable income -----		
19,400	78,950	\$1,940	12%	\$19,400
78,950	168,400	9,086	22%	78,950
168,400	321,450	28,765	24%	168,400
321,450	408,200	65,497	32%	321,450
408,200	612,350	93,257	35%	408,200
612,350	--	164,710	37%	612,350
MARRIED INDIVIDUALS FILING SEPARATE RETURNS				
\$0	\$9,700	----- 10% of taxable income -----		
9,700	39,475	\$970	12%	\$9,700
39,475	84,200	4,543	22%	39,475
84,200	160,725	14,383	24%	84,200
160,725	204,100	32,749	32%	160,725
204,100	306,175	46,629	35%	204,100
306,175	--	82,355	37%	306,175
FIDUCIARY (estates and trusts) TAXPAYERS				
\$0	\$2,600	----- 10% of taxable income -----		
2,600	9,300	\$260	24%	\$2,600
9,300	12,750	1,868	35%	9,300
12,750	--	3,076	37%	12,750

HEALTH SAVINGS ACCOUNT	
Minimum Deductible Amount	
Single	\$1,350
Family	\$2,700
Maximum Out-of-Pocket Amount	
Single	\$6,750
Family	\$13,500
HSA Statutory Contribution Maximum	
Single	\$3,500
Family	\$7,000
Catch-up contributions (age 55 or older)	\$1,000

EDUCATION	
EE bonds for education—exclusion phaseout	
Single	\$81,100-\$96,100
Married filing jointly	\$121,600-\$151,600
Coverdell Education Savings Account (\$2,000 limit) phaseout	
Single	\$95,000-\$110,000
Married filing jointly	\$190,000-\$220,000
Lifetime Learning Credit—20% of qualified expenses up to \$10,000	
Single	\$58,000-\$68,000
Married filing jointly	\$116,000-\$136,000
American Opportunity tax credit—maximum of \$2,500	
100% up to \$2,000 of qualified expenses	
25% on next \$2,000—phaseout:	
Single	\$80,000-\$90,000
Married filing jointly	\$160,000-\$180,000
Education loan deduction (\$2,500) phaseout	
Unmarried	\$70,000-\$85,000
Married filing jointly	\$140,000-\$170,000

INCOME TAX	
Standard deduction	
Single	\$12,200
Married filing jointly	\$24,400
Head of household	\$18,350
Married filing separately	\$12,200
Kiddie tax limited standard deduction	\$1,100
Individual eligible to be claimed as dependent—greater of \$1,100 or earned income plus \$350, not to exceed full standard deduction of \$12,200.	
Elderly or blind additional deduction	
Single	\$1,650
Married	\$1,300
Section 179	
Maximum election	\$1,020,000
Phaseout begins	\$2,550,000
Adoption credit (nonrefundable)	
Maximum	\$14,080
Phaseout	\$211,160-\$251,160
Medicare Contribution tax and additional Medicare tax	
Single	\$200,000
Head of household	\$200,000
Married filing jointly	\$250,000
Child tax credit	
Dependent under age 17	\$2,000
Other dependents	\$500
Phaseout (\$50 for every \$1,000 over)	
Single	\$200,000
Married filing jointly	\$400,000

ALTERNATIVE MINIMUM TAX (AMT)	Exemption	Phaseout
Single	\$71,700	\$510,300
Married filing jointly	\$111,700	\$1,020,600
Married filing separately	\$55,850	\$510,300
Trusts and estates	\$25,000	\$83,500

AMT RATES
26% up to \$194,800 of AMT base
28% over \$194,800 of AMT base

