



WISDOM WEALTH STRATEGIES

2017 ANNUAL TAX & FINANCIAL PLANNING GUIDE

RETIREMENT PLANS	
Elective deferrals 401k, 403b, & 457	\$18,000
Catch-up contribution	\$6,000
Defined contribution §415c	\$54,000
Defined benefit §415b	\$215,000
SIMPLE Plan	\$12,500
SIMPLE catch-up contribution	\$3,000
Maximum includible compensation	\$270,000
Highly compensated employee	\$120,000
Key employee	>\$175,000
SEP participation limit	\$600
IRA or Roth IRA contribution limit	\$5,500
IRA or Roth IRA catch-up	\$1,000
IRA phaseout for active participants	
Single	\$62,000-72,000
Married filing jointly	\$99,000-119,000
Spouse is active participant	\$186,000-196,000
Roth IRA phaseout	
Single	\$118,000-133,000
Married filing jointly	\$186,000-196,000

ESTATE & GIFT TAX	
Annual gift tax exclusion	\$14,000
Estate tax exclusion	\$5,459,000
Generation skipping transfer tax	\$5,459,000
Maximum estate tax bracket	40%

HEALTH AND FLEX ACCOUNTS	
HSA contribution maximum	
Single	\$3,400
Family	\$6,750
FSA contribution max (per person)	\$2,600
Dependent care FSA max (per family)	\$5,000

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SOCIAL SECURITY	
Social Security wage base	\$127,200
FICA tax rate	7.65%
SECA tax rate	15.3%
Earned income limit before penalty	
Below FRA (\$1 for 2)	\$16,920
Year of FRA (\$1 for \$3)	\$44,880
Quarter of coverage	\$1,300
Maximum benefit: worker retiring at FRA	\$2,687
Estimated average monthly benefit	\$1,360

SOCIAL SECURITY FULL RETIREMENT AGE			
Birth year	Full Ret Age	Birth year	Full Ret Age
1942	65 & 10 mo.	1957	66 & 6 mo.
1943-54	66	1958	66 & 8 mo.
1955	66 & 2 mo.	1959	66 & 10 mo.
1956	66 & 4 mo.	≥1960	67

MEDICARE	
Part A (most individuals don't pay)	\$413.00
Part B (standard premium)	\$134.00
Part A	
First 60 days deductible	\$1,316
Next 30 days per day	\$329
Next 60 days per day	\$658
Skilled nursing benefits	
First 20 days per day	\$0
Next 80 days per day	\$164.50
Over 100 days	No coverage
Part B	
Deductible	\$183
Coinsurance	20%
Part D prescription drug benefit	
Deductible (maximum)	\$400
25% coinsurance on next	\$3,700
Out-of-pocket threshold	\$4,950



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2017 TAX BRACKETS				
Rate	Single	Married Filing Joint	Married Filing Separate	Head of Household
10%	\$0 - \$9,325	\$0 - \$18,650	\$0 - \$9,325	\$0 - \$13,350
15%	\$9,326 - \$37,950	\$18,651 - \$75,900	\$9,326 - \$37,950	\$13,351 - \$50,800
25%	\$37,951 - \$91,900	\$75,901 - \$153,100	\$37,951 - \$76,550	\$50,801 - \$131,200
28%	\$91,901 - \$191,650	\$153,101 - \$233,350	\$76,551 - \$116,675	\$131,201 - \$212,500
33%	\$191,651 - \$416,700	\$233,351 - \$416,700	\$116,676 - \$208,350	\$212,501 - \$416,700
35%	\$416,701 - 418,400	\$416,701 - \$470,700	\$208,351 - \$233,350	\$416,701 - \$444,550
39.6%	\$418,401+	\$470,701+	\$233,351+	\$444,551+

Note: Percentage applies to taxable income in that bracket only as brackets are graduated, not flat.

EXAMPLE: Married Filing Joint Couple with \$100,000 of taxable income			
Take the difference between each bracket and multiply. Then add up each bracket for the total tax.			
\$0 to \$18,650	\$18,650	Times 10% Bracket	\$1,865
\$18,651 to \$75,900	\$75,900 - \$18,651 = \$57,249	Times 15% Bracket	\$8,587
\$75,901 to \$100,000	\$100,000 - \$75,901 = \$24,901	Times 25% Bracket	\$6,025
Tax liability before adjustments:			\$16,477

TAX EXEMPTIONS, DEDUCTIONS, & CREDITS	
Personal exemption	\$4,050
Personal exemption and itemized phaseouts	
Single	\$261,500
Married filing jointly	\$313,800
Standard deduction	
Single	\$6,350
Married filing jointly	\$12,700
Head of household	\$9,350
Married filing separately	\$6,300
Kiddie tax deduction	\$1,050
Elderly or blind additional deduction	
Single	\$1,550
Married	\$1,250
Section 179	
Max election	\$500,000
Phaseout begins	\$2,000,000
Adoption Credit	
Maximum credit	\$13,570
Phaseout	\$203,540-243,540

STANDARD MILEAGE RATES	
Business use	53.5¢
Charity	14¢
Medical or moving	17¢

EDUCATIONAL TAX BENEFITS	
EE bonds for education phaseout	
Single	\$78,10-93,150
Married filing jointly	\$117,250-147,250
Coverdell ESA	
Single	\$95,000-110,000
Married filing jointly	\$190,000-220,000
Lifetime Learning Credit	
Single	\$56,000-66,000
Married filing jointly	\$111,000-131,000
American Opportunity Credit (Hope)	
100% up to \$2,000 of qualified expenses	
25% of the next \$2,000	
Single phaseout	\$80,000-90,000
Married filing jointly	\$160,000-180,000
Education loan deduction (max \$2,500)	
Single	\$65,000-80,000
Married filing jointly	\$135,000-165,000
Tuition and Fees Expense	
Set to expire in 2017 unless reinstated	