



WISDOM WEALTH STRATEGIES

2019 ANNUAL TAX & FINANCIAL PLANNING GUIDE

RETIREMENT PLANS	
Elective deferrals 401k, 403b, & 457	\$19,000
Catch-up contribution	\$6,000
Defined contribution §415c	\$56,000
Defined benefit §415b	\$225,000
SIMPLE Plan	\$13,000
SIMPLE catch-up contribution	\$3,000
Maximum includible compensation	\$280,000
Highly compensated employee	\$125,000
Key employee	>\$180,000
SEP participation limit	\$600
IRA or Roth IRA contribution limit	\$6,000
IRA or Roth IRA catch-up	\$1,000
IRA phaseout for active participants	
Single	\$64,000-74,000
Married filing jointly	\$103,000-123,000
Spouse is active participant	\$193,000-203,000
Roth IRA phaseout	
Single	\$122,000-137,000
Married filing jointly	\$193,000-203,000

ESTATE & GIFT TAX	
Annual gift tax exclusion	\$15,000
Estate tax exclusion	\$11,400,000
Generation skipping transfer tax	\$11,400,000
Maximum estate tax bracket	40%

SOCIAL SECURITY	
Social Security wage base	\$132,900
FICA tax rate for individuals	7.65%
Social Security Portion of individual FICA	6.2%
Earned income limit before penalty	
Below Full Retirement Age (\$1 for 2)	\$17,640
Year of Full Retirement Age (\$1 for \$3)	\$46,920
Quarter of coverage	\$1,360
Maximum benefit: worker retiring at FRA	\$2,861
Estimated average monthly benefit	\$1,461

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

HEALTH & FLEX ACCOUNTS	
Single	\$3,500
Family	\$7,000
Over 55 catch-up contribution	\$1,000
Minimum health insurance deductible required single	\$1,350
Minimum health insurance deductible required family	\$2,700
FSA contribution max (per person)	\$2,700
Dependent care FSA max (per family)	\$5,000

MEDICARE COSTS			
Filing Single	Part A	Part D Surcharge	Married Filing Joint
\$0-85,000	\$135.50	\$0	\$0-\$170,000
\$85,001-107,000	\$189.60	\$12.40	\$170,001-214,000
\$107,001-\$133,500	\$270.90	\$31.90	\$214,001-267,000
\$133,501-\$160,000	\$352.20	\$51.40	\$267,001-320,000
\$160,001-500,000	\$433.40	\$70.90	\$320,001-750,000
>\$500,000	\$460.50	\$77.40	>\$750,000
Part A First 60 days deductible	\$1,340	Next 30 days = \$341	Next 60 days = \$682
Skilled nursing first 20 days	\$0	Daily cost next 80 days = \$170.50	After 100 days – no coverage
Part B Deductible	\$185	Coinsurance	20%
Part D Deductible	\$415	20% coinsurance on next \$3,820	Out of pocket threshold = \$5,100

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2019 TAX BRACKETS				
Rate	Single	Married Filing Joint	Married Filing Separate	Head of Household
10%	\$0 - \$9,700	\$0 - \$19,400	\$0 - \$9,700	\$0 - \$13,850
12%	\$9,701 - \$39,475	\$19,401 - \$78,950	\$9,701 - \$39,475	\$13,851 - \$52,850
22%	\$39,476 - \$84,200	\$78,951 - \$168,400	\$39,476 - \$84,200	\$52,851 - \$84,200
24%	\$84,201 - \$160,725	\$168,401 - \$321,450	\$84,201 - \$160,725	\$84,201 - \$160,700
32%	\$160,726 - \$204,100	\$321,451 - \$408,200	\$160,726 - \$204,100	\$160,701 - \$204,100
35%	\$204,101 - 510,300	\$408,201 - \$612,350	\$204,101 - 306,175	\$204,101 - \$510,300
37%	\$510,301+	\$612,351+	\$306,176+	\$510,301+

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 (after deductions)				
Take the difference between each bracket and multiply. Then add up each bracket for the total tax.				
\$0 to \$19,400	\$19,400	Times 10% Bracket	\$1,940	
\$19,401 to \$78,950	\$78,950 - \$19,401 = \$59,549	Times 12% Bracket	\$7,146	
\$78,951 to \$100,000	\$100,000 - \$78,951 = \$21,049	Times 22% Bracket	\$4,631	
Tax liability before adjustments:			\$13,717	

TAX EXEMPTIONS, DEDUCTIONS, & CREDITS	
Standard deduction	
Single	\$12,200
Married filing jointly	\$24,400
Head of household	\$18,350
Married filing separately	\$12,200
Kiddie tax deduction	\$1,100
Elderly or blind additional deduction	
Single	\$1,650
Married	\$1,300
Section 179	
Max election	\$1,020,000
Phaseout begins	\$2,550,000
Adoption Credit	
Maximum credit	\$14,080
Phaseout	\$211,160-251,160
Child Tax Credit	
Dependents 16 & younger	\$2,000
Other dependents	\$500
Single phaseout	\$200,000
MFJ phaseout	\$400,000

STANDARD MILEAGE RATES	
Business use	58¢
Charity	14¢
Medical or moving	20¢

EDUCATIONAL TAX BENEFITS	
EE bonds for education phaseout	
Single	\$81,100-96,100
Married filing jointly	\$121,600-151,600
Coverdell ESA	
Single	\$95,000-110,000
Married filing jointly	\$190,000-220,000
Lifetime Learning Credit	
Single	\$58,000-68,000
Married filing jointly	\$116,000-136,000
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	\$70,000-85,000
Married filing jointly	\$140,000-170,000
529	
Elementary/secondary expenses	\$10,000

QUALIFIED BUSINESS INCOME PHASEOUTS (§199a)	
20% deduction for income from passthrough businesses	
Single taxable income	\$160,700-210,700
Married filing joint taxable income	\$321,400-421,400