



SYNERGY WEALTH PARTNERS, LLP

Advisory Services provided by Synergy Investment Management, a dba of TFO-TDC, LLC
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2016 TAX UPDATES

Income Tax Brackets 2016

Married, joint

\$0-\$18,550	10%
\$18,551-\$75,300	15%
\$75,301-\$151,900	25%
\$151,901-\$231,450	28%
\$231,451-\$413,350	33%
\$413,351-\$466,950	35%
Over \$466,950	39.6%

Single

\$0-\$9,275	10%
\$9,276-\$37,650	15%
\$37,651-\$91,150	25%
\$91,151-\$190,150	28%
\$190,151-\$413,350	33%
\$413,351-\$415,050	35%
Over \$415,050	39.6%

Head of Household

\$0-\$13,250	10%
\$13,251-\$50,400	15%
\$50,401-\$130,150	25%
\$130,151-\$210,800	28%
\$210,801-\$413,350	33%
\$413,351-\$441,000	35%
Over \$441,000	39.6%

Standard Deductions

Married, joint	\$12,600
Married, separate	\$6,300
Single	\$6,300
Head of household	\$9,300

Threshold for Pease Limitation on Itemized Deductions

Married, joint	\$311,300
Single	\$259,400
Head of household	\$285,350

Personal Exemption \$4,050

Personal Exemption Phaseout

Married, joint	\$311,300-\$433,800
Single	\$259,400-\$381,400
Head of household	\$285,350-\$407,850

Kiddie Tax Exemption \$2,100

Alternative Minimum Tax Exemption Amount

Married, joint	\$83,800
Single, Head of household	\$53,900

Long-term Capital Gains and Qualified Dividend Rates

10% and 15% brackets	0%
25%, 28%, 33%, 35% brackets*	15%
39.6% bracket*	20%
Unrecaptured 1250 depreciation	25%
Capital gains on collectibles	28%

*Additional 3.8% tax imposed on net investment income of higher-income taxpayers.

IRA & Pension Plan Limits

IRA contribution	
Under age 50	\$5,500
Age 50 and over (includes \$1,000 catch-up contribution)	\$6,500
Phaseout for deducting IRA contribution	
Married, joint	\$98,000-\$118,000 AGI
Single, HOH ¹	\$61,000-\$71,000 AGI
Phaseout for deducting spousal IRA	\$184,000-\$194,000 AGI

Phaseout of Roth contribution eligibility

Married, joint	\$184,000-\$194,000 MAGI
Single, HOH	\$117,000-\$132,000 MAGI

SIMPLE elective deferral

Under age 50	\$12,500
Age 50 and over (includes \$3,000 catch-up contribution)	\$15,500

401(k), 403(b)², 457³ and SARSEP elective

deferral under age 50	\$18,000
401(k), 403(b), 457 and SARSEP elective deferral age 50 and over (includes \$6,000 catch-up contribution)	\$24,000

Annual defined contribution limit \$53,000

Annual defined benefit limit \$210,000

Gift and Estate Tax

Gift tax annual exclusion	\$14,000
Highest estate and gift tax rate	40%
Estate tax exemption	\$5,450,000
Lifetime gift exemption	\$5,450,000
(The estate tax exemption available at death is reduced dollar for dollar by lifetime gifts that were made during life that utilized the lifetime gift exemption.)	
GST exemption	\$5,450,000
Annual exclusion for gifts to noncitizen spouse	\$147,000

Education

Coverdell Education Savings Account	\$2,000
(This is the maximum that can be contributed to a CESA by all contributors for one beneficiary in 2015.)	

Student loan interest deduction limit \$2,500

Interest deduction is phased out	
Married, joint	\$130,000-\$160,000 MAGI
All others	\$65,000-\$80,000 MAGI

Phase out of interest exclusion for U.S. Savings Bonds Redeemed to Pay Qualified Higher Education Expense

Married, joint	\$116,300-\$146,300 MAGI
Single	\$77,550-\$92,550 MAGI

Social Security

Maximum earnings (during work years) subject to FICA tax	\$118,500
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Social Security Tax 6.20%

Income⁴ (in retirement) causing Social Security benefits to be taxable

Married, joint	
50% taxable	\$32,000 MAGI
85% taxable	\$44,000 MAGI
Single	
50% taxable	\$25,000 MAGI
85% taxable	\$34,000 MAGI

Loss of Social Security retirement benefits:

In years prior to full retirement age, \$1 in benefits will be lost for every \$2 of earnings in excess of \$15,720. In the year of full retirement age, \$1 in benefits will be lost for every \$3 of earnings in excess of \$41,880 (applies only to months of earnings prior to full retirement age). There is no limit on earnings beginning the month an individual attains full retirement age.

The loss of Social Security benefits only applies if you are taking social security benefits before full retirement age.

Medicare

Single	
\$0-\$200,000	1.45%
Income exceeding \$200,000	2.35%
Married, joint	
\$0-\$250,000	1.45%
Income exceeding \$250,000	2.35%

Health Savings Accounts (HSAs)

Maximum Contribution	
Single	\$3,350
Family	\$6,750
Age 55 and over annual catch-up	\$1,000

1. Head of Household
2. Special increased limit may apply to certain 403(b) contributors with 15 or more years of service.
3. In last 3 years prior to year of retirement, 457 plan participant may be able to double elective deferral if needed to catch-up on prior missed contributions, but if they do, they cannot use catch-up.
4. Income is most income including muni bond interest but only 1/2 of Social Security.

YOUR TEAM

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