



Key Information for the 2016 Tax Year

Contact your tax advisor for specific details on how these rates impact your financial plans.



Filing Rates

Individual Tax Rate	Filing Status			
	Married Filing Jointly (MFJ)	Single	Married Filing Separately	Head of Household
10%	Up to \$18,550	Up to \$9,275	Up to \$9,275	Up to \$13,250
15%	\$18,551 – \$75,300	\$9,276 – \$37,650	\$9,276 – \$37,650	\$13,251 – \$50,400
25%	\$75,301 – \$151,900	\$37,651 – \$91,150	\$37,651 – \$75,950	\$50,401 – \$130,150
28%	\$151,901 – \$231,450	\$91,151 – \$190,150	\$75,951 – \$115,725	\$130,151 – \$210,800
33%	\$231,451 – \$413,350	\$190,151 – \$413,350	\$115,726 – \$206,675	\$210,801 – \$413,350
35%	\$413,351 – \$466,950	\$413,351 – \$415,050	\$206,676 – \$233,475	\$413,351 – \$441,000
39.6%	More than \$466,950	More than \$415,050	More than \$233,475	More than \$441,000

Itemized Deductions and Exemptions

Itemized deduction phase out start point — single and married filing jointly	Single: \$259,400 MFJ: \$311,300
Standard deduction — single and married filing separately	\$6,300
Additional deduction age 65 or older — single	\$1,550
Standard deduction — married filing jointly	\$12,600
Additional deduction age 65 or older — married filing jointly and married filing separately	\$1,250
Standard deduction — head of household	\$9,300
Additional deduction age 65 or older — head of household	\$1,550
Personal exemption	\$4,050
Personal exemption phase out start point — single and married filing jointly	Single: \$259,400 MFJ: \$311,300

Retirement Plans	
Maximum annual benefit for defined benefit plan	Up to \$210,000
Defined contribution annual addition	\$53,000
Defined contribution compensation limit	\$265,000
401(k) maximum exclusion	\$18,000
401(k) catch-up contribution (for individuals 50 or older)	\$6,000
Simple contribution limit	\$12,500
Simple catch-up contribution (for individuals 50 or older)	\$3,000
IRA contribution limitation (in general)	\$5,500
IRA catch-up contribution (for individuals 50 or older)	\$1,000

Payroll Taxes	
Social Security (self-employed) combined rate (OASDI + Medicare)	$(6.2\% + 1.45\%) \times 2 = 15.3\%$
Social Security (employee) rate (OASDI + Medicare)	$(6.2\% + 1.45\%) = 7.65\%$
OASDI contribution base	\$118,500
Medicare contribution base	Unlimited
Additional Medicare Payroll Tax on earnings more than \$200,000 (single) and \$250,000 (combined, married filing jointly)	0.9%
FUTA wage base	\$7,000
FUTA rate	6%

Social Security		
Maximum earned income while receiving Social Security benefits	under age 65 years, 6 months	\$15,720
	in the year you reach full retirement age	\$41,880
	full retirement age	No limit

Education Phase-Outs	
American Opportunity Credit (formerly Hope Credit)	MFJ: \$160,000 – \$180,000 Other filers: \$80,000 – \$90,000
Lifetime Learning Credit	MFJ: \$111,000 – \$131,000 Other Filers: \$55,000 – \$65,000
Student loan interest deduction	MFJ: \$130,000 – \$160,000 Single: \$65,000 – \$80,000

Health Savings Accounts	
HSA contribution limit (single insurance coverage)	\$3,350
HSA contribution limit (family insurance coverage)	\$6,750
HSA catch-up contribution (age 55 or older)	\$1,000

Other	
Section 179 limitation	\$500,000
Annual gift tax exclusion	\$14,000
Estate tax exclusion amount	\$5,450,000
Kiddie tax threshold — children through age 18 (or age 19 – 23 for full-time students)	\$2,100

Travel	
High cost per diem travel rate within continental United States (high/low method)	\$275
Low cost per diem travel rate within continental United States (high/low method)	\$185

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