

2019 U.S. TAX AND RETIREMENT INFORMATION

INCOME TAX BRACKETS

| Single | |
|----------------------------|-----|
| Not over \$9,700 | 10% |
| over \$9,700 - \$39,475 | 12% |
| over \$39,475 - \$84,200 | 22% |
| over \$84,200 - \$160,725 | 24% |
| over \$160,725 - \$204,100 | 32% |
| over \$204,100 - \$510,300 | 35% |
| over \$510,300 | 37% |

Married Filing Jointly

| | |
|----------------------------|-----|
| Not over \$19,400 | 10% |
| over \$19,400 - \$78,950 | 12% |
| over \$78,950 - \$168,400 | 22% |
| over \$168,400 - \$321,450 | 24% |
| over \$321,450 - \$408,200 | 32% |
| over \$408,200 - \$612,350 | 35% |
| over \$612,350 | 37% |

Married Filing Separately

| | |
|----------------------------|-----|
| Not over \$9,700 | 10% |
| over \$9,700 - \$39,475 | 12% |
| over \$39,475 - \$84,200 | 22% |
| over \$84,200 - \$160,725 | 24% |
| over \$160,725 - \$204,100 | 32% |
| over \$204,100 - \$306,175 | 35% |
| over \$306,175 | 37% |

Head of Household

| | |
|----------------------------|-----|
| Not over \$13,850 | 10% |
| over \$13,850 - \$52,850 | 12% |
| over \$52,850 - \$84,200 | 22% |
| over \$84,200 - \$160,700 | 24% |
| over \$160,700 - \$204,100 | 32% |
| over \$204,100 - \$510,300 | 35% |
| over \$510,300 | 37% |

STANDARD DEDUCTIONS

| | Annual | Additional age 65+ or blind |
|------------------------|----------|-----------------------------|
| Married/Filing Jointly | \$24,400 | \$1,300 |
| Single | \$12,200 | \$1,650 |
| Head of Household | \$18,850 | \$1,650 |

KEY TAX RULES

| Kiddie Tax | Tax Rate |
|-------------------------------------|--------------------------------------|
| Unearned income < \$1,100 | 0% |
| Unearned Income > \$1,100 < \$2,200 | Child's tax rate |
| Unearned Income > \$2,200 | Trust and estate income tax brackets |

The Kiddie Tax rules apply to unearned income of the following:

- A child under age 18 at the end of each tax year
- An 18-year-old whose earned income does not exceed one-half of his or her support
- A 19-to-23-year-old full-time student whose earned income does not exceed one-half of his or her support

Child Tax Credit

Child Tax Credit has been increased to \$2,000 per child with \$1,400 being refundable. The Child Tax Credit also phases out beginning at \$400,000 (MFJ) and \$200,000 (all other filing).

Mortgage Interest Deduction

\$750,000 deductibility limit for acquisition indebtedness incurred after December 14, 2017. Allowed for up to 2 homes.

No deduction for home equity loans unless proceeds are used to substantially improve the home that secures the loan, and meet the definition of acquisition debt.

State and Local Tax Deduction

| | |
|-------------------------------|----------|
| State and Local Tax Deduction | \$10,000 |
|-------------------------------|----------|

LONG TERM CAPITAL GAIN/QUALIFIED DIVIDEND INCOME

| Tax Rate | Single | Married Filing Jointly | Head of Household | Married Filing Separately | Trusts and Estate |
|--------------------|----------------------|------------------------|----------------------|---------------------------|--------------------|
| 0% | Less than \$39,375 | Less than \$78,750 | Less than \$52,750 | Less than \$39,375 | Less than \$2,650 |
| 15% | \$39,375 - \$434,550 | \$78,750 - \$488,850 | \$52,750 - \$461,700 | \$39,375 - \$244,425 | \$2,650 - \$12,950 |
| 20% | Over \$434,550 | Over \$488,850 | Over \$461,700 | Over \$244,425 | Over \$12,950 |
| Capital Loss Limit | \$3,000 | \$3,000 | | \$1,500 | |

ALTERNATIVE MINIMUM TAX (AMT)

| Filing Status | Exemption Amount | Threshold Phaseout |
|--|------------------|--------------------|
| Single Filers and Head of Household | \$71,700 | \$510,300 |
| Married Filing Jointly and Surviving Spouses | \$111,700 | \$1,020,600 |
| Married Filing Separately | \$55,850 | \$510,300 |

3.8% SURTAX ON UNEARNED INCOME

The Net Investment Income Tax applies to individuals, trusts, and estates. Unearned income is defined as investment income such as income from interest, dividends, annuities, royalties, capital gains and other passive income.

The tax applies to the lesser of 1) net investment income and 2) the excess of MAGI over the threshold amount

This tax applies to taxpayers with MAGI exceeding :

\$250,000 for taxpayers filing jointly

\$125,000 for taxpayers filing married filing separately

\$200,000 for other taxpayers

HEALTH ACCOUNTS

| | |
|---|---------|
| Health flexible spending account maximum (FSA) | \$2,700 |
| Health savings account maximum - self coverage only (HSA) | \$3,500 |
| Health savings account maximum - family coverage | \$7,000 |
| Annual catch-up for age 55 and older | \$1,000 |

FICA

| | Employee | Employer | Self Employed |
|---------------------------------|----------|----------|---------------|
| OASDI (Social Security) Maximum | 6.2 | 6.2 | 12.4 |
| HI (Medicare) Maximum | 1.45 | 1.45 | 2.9 |

An additional 0.9% HI tax applies on individuals with wages or self-employment income in excess of \$200,000 (single and qualifying widow(er)s), \$250,000 (married/filing jointly), or \$125,000 (married/filing separately).

2019 U.S. TAX AND RETIREMENT INFORMATION

| SOCIAL SECURITY | | |
|---|--|---------------------|
| Annual Figures | | |
| Maximum earnings subject to FICA | \$132,900 | |
| 2019 Cost-of-living adjustments | 2.8% | |
| Taxation of Benefits – Determined by Provisional Income | | |
| = Adjusted Gross Income + Tax-Exempt Interest + 1/2 SS Benefits | | |
| Single | Married | % of Benefits Taxed |
| Less than \$25K | less than \$32K | 0% |
| \$25K-\$34K | \$32K-\$44K | Up to 50% |
| More than \$34K | More than \$44K | Up to 85% |
| Benefits Withholding – The Earned Income Test | | |
| Full year prior to retirement age | \$1/\$2 of earnings above annual limit (\$17,640) | |
| Year you reach to retirement age | \$1/\$3 of earnings above annual limit (\$46,920) | |
| Month of retirement age and beyond | No limit on earnings. Future benefits increased base on amount of benefits withheld. | |

| RETIREMENT | |
|---|-----------------------|
| Traditional and Roth IRA Contribution Limits | |
| Under age 50 | \$6,000 |
| Age 50 and over | \$7,000 |
| Deductibility of IRA Contribution (Phaseouts) | MAGI |
| Covered by Retirement Plan | |
| Single | \$64,000 - \$74,000 |
| Married Filing Jointly | \$103,000 - \$123,000 |
| Not Covered by Retirement Plan | |
| Single or Married Filing Jointly | Unlimited |
| Spouse Covered | \$193,000 - \$203,000 |
| Roth IRA Contribution Eligibility | |
| Single | \$122,000 - \$137,000 |
| Married Filing Jointly | \$193,000 - \$203,000 |
| Married Filing Separately | \$0 - \$10,000 |
| SEP Contribution | |
| Up to 25% of compensation | maximum \$56,000 |
| Compensation to participate in SEP | \$600 |
| SIMPLE Elective Deferral | |
| Under age 50 | \$13,000 |
| Age 50 and over | \$16,000 |

| | |
|--------------------------------|-----------|
| 401(k), 403(b), 457 and SARSEP | |
| Under age 50 | \$19,000 |
| Age 50 and over | \$25,000 |
| Defined Contribution 415 Limit | \$56,000 |
| Defined Benefit 415 Limit | \$225,000 |
| Highly Compensated Employee | \$125,000 |
| Compensation Limit | \$280,000 |

| TRUST AND ESTATE INCOME TAX RATES | |
|-----------------------------------|--------------|
| If Taxable Income is: | Your Tax is: |
| Not over \$2,600 | 10% |
| over \$2,600 - \$9,300 | 24% |
| over \$9,300 - \$12,750 | 35% |
| over \$12,750 | 37% |

| 2019 ESTATE, GIFT AND GENERATION SKIPPING TAX | |
|---|--------------|
| Annual Gift Tax Exclusion | \$15,000 |
| Non-Citizen Spouse Annual Exclusion | \$155,000 |
| Gift and Estate Tax Applicable Exclusion Amount | \$11,400,000 |
| Generation Skipping Tax Exemption Amount | \$11,400,000 |

| EDUCATION | |
|---|-----------------------|
| Coverdell Contributions | \$2,000 |
| Phaseout for Contribution | MAGI |
| Single | \$95,000 - \$110,000 |
| Married Filing Jointly | \$190,000 - \$220,000 |
| 529 Plan Contributions | |
| Accelerates 5 years of gifting into 1 year for individual gift. | \$75,000 |
| Accelerates 5 years of gifting into 1 year for joint gift. | \$150,000 |
| ABLE contribution limit | \$15,000 |

The Tax Cuts and Jobs Act enables individuals to roll over funds from a Qualified Tuition Plan to an ABL account of the same beneficiary or beneficiary's family. Rollovers from 529 plans are still subject to \$15,000 annual contribution limits in 2019.

| | |
|--|----------------------------|
| Lifetime Learning Credit | |
| Maximum Credit | \$2,000 |
| Phaseout single | \$58,000 - \$68,000 MAGI |
| Married Filing Jointly | \$116,000 - \$136,000 MAGI |
| Student Loan Interest | |
| Deduction limit: | \$2,500 |
| Phaseout single | \$70,000 - \$85,000 MAGI |
| Married Filing Jointly | \$140,000 - \$170,000 MAGI |
| Phaseout of tax-free saving bonds interest | |
| Single | \$81,100 - \$96,100 MAGI |
| Married Filing Jointly | \$121,600 - \$151,600 MAGI |
| American Opportunity Tax Credit | |
| Maximum Credit | \$2,500 |
| Phaseout single | \$80,000-\$90,000 MAGI |
| Married Filing Jointly | \$160,000 - \$180,000 MAGI |

RAYMOND JAMES® RAYMOND JAMES (USA) LTD.

Raymond James (USA) Ltd., member FINRA / SIPC. This material prepared by Raymond James & Associates, Inc./ Raymond James Financial Services, Inc. and Financial, Inc. Raymond James® is a registered trademark of Raymond James Financial, Inc. Raymond James Ltd., is a member of the: Canadian Investor Protection Fund • Investment Industry Regulatory Organization of Canada (IIROC).

The information above is from sources believed to be reliable, however, we cannot represent that it is accurate or complete and it should not be considered personal tax advice. We are not tax advisors and we recommend that clients seek independent advice from a professional advisor on tax-related matters.