2019 U.S. TAX AND FINANCIAL PLANNING INFORMATION

An overview of important changes, rates, rules and deadlines to assist your 2019 U.S. tax planning

What you will see in this brochure

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TOPICS

THE IMPORTANCE OF TAX PLANNING

After making its way through Congress and seeing numerous last-minute tweaks, the tax reform bill was approved by Congress and then signed by President Trump on December 22, 2017. The new tax rates and countless other provisions generally took effect on January 1, 2018. This guide provides an overview of tax rates, credits, deductions and related considerations that may apply to you. For more information about changes made, please refer to the Comparison of Prior Tax Law with the Tax Cuts and Jobs Act white paper.

Tax planning should not be done in isolation, but instead should be driven by your overall financial goals and integrated with your total financial plan. By developing and implementing appropriate strategies to lessen or to shift current and future tax liabilities, you can improve your prospects of meeting long- and short-term objectives. For example, accurately projecting your income taxes can help you determine the cash flow available to you in the coming year.

Keep in mind that tax laws are often complex and frequently change. As a consequence, you should consult your tax advisor before making investment and tax decisions.

SOCIAL SECURITY CHANGES

As a result of the Bipartisan Budget Act of 2015, “Restricted Application” and “File and Suspend” strategies are being and have been phased out.

Restricted Application – Available to individuals born on or before January 1, 1954. This strategy can be elected when the individual reaches their full retirement age or later. Restricted application creates an opportunity for one member of a couple to claim a spousal benefit if their spouse has filed, while allowing their own benefit to grow until age 70. At age 70 they normally transition from a spousal benefit to their own benefit, if higher.

File and Suspend – Before its expiration on April 30, 2016, this strategy allowed one spouse to file for their Social Security benefit at their full retirement age and immediately suspend receiving their benefit. The act of filing and immediately suspending their benefit allowed the other spouse to begin drawing a spousal benefit. This process also allowed both of their worker benefits to defer credits up until age 70. At age 70 they would then switch to their own worker benefit, if higher.

IRS RULES FOR LATE 60-DAY ROLLOVERS

When redepositing funds from your IRA, Roth IRA or other plan, individuals receive a check and have a 60-day period in which to roll over those funds.

Now, with Revenue Procedure 2016-47 (released in August 2016), individuals who miss the 60-day rollover period can self-certify that they qualify for a waiver, so long as they meet a few criteria:

1. There can be no prior denial by the IRS for a waiver.
2. The late rollover must be attributed to one of the 11 reasons listed in the form provided by

the IRS. (Go to irs.gov and search “2016-47” for the list of reasons.)

3. The funds must be redeposited into an IRA account “as soon as practical after the reason or reasons no longer prevent the taxpayer from making the contribution.” This guideline does include a 30-day safe harbor window.

QUALIFIED CHARITABLE DISTRIBUTION

IRA owners who are at least 70½ years old could make a qualified charitable distribution (QCD) of up to $100,000 directly from an IRA to a charity without having to include the distribution in taxable income. Legislation has made these QCD rules permanent.

Donating IRA funds directly to qualified charities allows the IRA holder or beneficiary to avoid taking possession of the funds and the tax bill that comes with them. It also allows the extra income to be excluded from tax formulas for Medicare premiums.

In brief, a qualified charitable distribution (QCD) from an IRA can be made only by an IRA owner or beneficiary age 70½ or older, and can total up to $100,000. A spouse age 70½ with an IRA could give up to $100,000 as well. A QCD can be in excess of your required minimum distribution, but cannot exceed $100,000. The funds, which cannot come from active SEP or SIMPLE IRAs, must be sent directly to the qualified (IRS approved) charitable organization. [The gift cannot be made to a private foundation, donor-advised fund or supporting organization (as described in IRC Section 509(a)(3)). The gift cannot be made in exchange for a charitable gift annuity or to a charitable remainder trust.]

MEDICAL EXPENSES DEDUCTION

During 2018, a taxpayer could deduct medical expenses in excess of 7.5% of AGI. In 2019 the deduction changes to 10% of AGI (except for taxpayers age 65 or older for whom the 7.5% floor will remain in place). To write off medical expenses, deductions must be itemized.

MORTGAGE INTEREST DEDUCTION

The Tax Cuts and Jobs Act passed in December 2017 limited the amount of mortgage interest that can be taken by an individual itemizing deductions. Previously, an individual could deduct interest on up to $1,000,000 of qualified mortgage debt on up to two homes. Current tax law retains the interest deduction on up to $1,000,000 for homes acquired before 12/15/17 but limits the deduction for new purchases to mortgage debt of $750,000. This deduction is still allowed for up to two homes.

The deduction for interest on home equity debt is eliminated in 2019 except when used to buy, build or substantially improve the taxpayer’s home that secures the loan.

SALT

The Tax Cuts and Jobs Act also limited state and local tax deductions to $10,000.

2019 TAX RATES

Taxable income is income after all deductions, including either itemized deductions or the standard deductions.

Standard Deduction – Single $12,200;
Head of Household $18,350; Joint $24,400.
Dependent cannot exceed the greater of $1,100 or $350 + earned income.

Extra Deduction if Blind or Over 65 – Single and Head of Household $1,650; all others $1,300

Single

If Taxable Income is:	Your Tax is:
Not over $9,700	10% of taxable income
over $9,700 - $39,475	$970 + 12% of the excess over $9,700
over $39,475 - $84,200	$4,543 + 22% of the excess over $39,475
over $84,200 - $160,725	$14,382.50 + 24% of the excess over $84,200
over $160,725 - $204,100	$32,748.50 + 32% of the excess over $160,725
over $204,100 - $510,300	$46,628.50 + 35% of the excess over $204,100
over $510,300	$153,798.50 + 37% of the excess over $510,300

Married Filing Jointly/Surviving Spouse

If Taxable Income is:	Your Tax is:
Not over $19,400	10% of taxable income
over $19,400 - $78,950	$1,940 + 12% of the excess over $19,400
over $78,950 - $168,400	$9,086 + 22% of the excess over $78,950
over $168,400 - $321,450	$28,765 + 24% of the excess over $168,400
over $321,450 - $408,200	$65,497 + 32% of the excess over $321,450
over $408,200 - $612,350	$93,257 + 35% of the excess over $408,200
over $612,350	$164,709.50 + 37% of the excess over $612,350

Head of Household

If Taxable Income is:	Your Tax is:
Not over $13,850	10% of taxable income
over $13,850 - $52,850	$1,385 + 12% of the excess over $13,850
over $52,850 - $84,200	$6,065 + 22% of the excess over $52,850
over $84,200 - $160,700	$12,962 + 24% of the excess over $84,200
over $160,700 - $204,100	$31,322 + 32% of the excess over $160,700
over $204,100 - $510,300	$45,210 + 35% of the excess over $204,100
over $510,300	$152,380 + 37% of the excess over $510,300

Married Filing Separately

If Taxable Income is:	Your Tax is:
Not over $9,700	10% of taxable income
over $9,700 to $39,475	$970 + 12% of the excess over $9,700
over $39,475 to $84,200	$4,543 + 22% of the excess over $39,475
over $84,200 to $160,725	$14,382.50 + 24% of the excess over $84,200
over $160,725 to $204,100	$32,748.50 + 32% of the excess over $160,725
over $204,100 to $306,175	$46,628.50 + 35% of the excess over $204,100
over $306,175	$82,354.75 + 37% of the excess over $306,175

PERSONAL EXEMPTION PHASEOUT (“PEP”)

The Tax Cuts and Jobs Act removed personal exemptions. As a result, the phase out of personal exemptions was also eliminated.

LIMITATIONS ON ITEMIZED DEDUCTIONS (“PEASE LIMITATION”)

The Pease Limitation was removed in the Tax Cuts and Jobs Act. The Pease limitation reduced itemized deductions by $3,000 for every $100,000 of AGI over the threshold amount. The Pease limitation did not apply to investment interest expenses, medical expenses, casualty and theft losses, and gambling losses. In addition, the Pease limitation did not apply to estates or trusts.

QUALIFIED DIVIDEND INCOME

The tax law indefinitely extended the favorable long-term capital gains tax rates for "Qualified dividends." To qualify, the taxpayer must have held the stock for more than 60 days during the 121-day period beginning 60 days before the ex-dividend date, and the dividend must be paid from a domestic corporation or certain qualified foreign corporations.

Dividend income that is not qualified dividend income will be taxed at ordinary income rates.

CAPITAL GAINS RATES

Short-term Capital Gains: Assets held for one year or less are taxed at an individual's ordinary tax rate.

Long-term Capital Gains: Assets held for more than one year are taxed at favorable rates outlined in the chart below.

NETTING PROCESS

Long Term Capital Gains 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%	$39,376 - $434,550	$78,751 - $488,850	$52,751 - $461,700	$39,376 - $244,425	$2,651- $12,950
20%	Over $434,550	Over $488,850	Over $461,700	Over $244,425	Over $12,950

1. Determine whether you have a **net short-term** or **net long-term capital gain or loss** on the sale of stock.
2. Net your short-term gains and short-term losses.
3. Net your long-term gains and long-term losses.
4. Net your short-term gain/loss against long-term gain/loss.
5. For gains, you must pay tax on all gains each year. For losses, you may only deduct up to $3,000 of excess losses against ordinary income per year.
6. Carry over any remaining losses to future tax years.

MEDICARE TAX

A NOTE ABOUT WASH SALES

Selling a security at a loss and purchasing another "substantially identical" security – within 30 days before or after the sale date – triggers what the IRS considers a "wash sale," an action that disallows the loss deduction. The IRS looks at all of your accounts to determine whether a wash sale has occurred, so selling the stock at a loss in a taxable account and buying it within that 61-day window in your 401(k) or IRA isn't a viable option.

SALE DATE

30 days before | 30 days after

61-DAY WINDOW

On January 1, 2013, pursuant to the Health Care and Education Reconciliation Act of 2010, high-income taxpayers became subject to two additional Medicare taxes – an additional 0.9% Medicare payroll tax and a 3.8% Medicare surtax on net investment income.

3.8% SURTAX ON UNEARNED INCOME

The 3.8% surtax on "unearned income" 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.

Two conditions must be met for the 3.8% surtax to apply. First, the taxpayer must have investment income, and second, the taxpayer's modified adjusted gross income (MAGI) must exceed the limits below, which are not indexed for inflation:

- $250,000 for taxpayers filing jointly
- $125,000 for taxpayers married filing separately
- $200,000 for other taxpayers

For purposes of the 3.8% surtax, the MAGI limitation is simply the taxpayer's adjusted gross income (AGI) plus any excluded net foreign income. In general terms, AGI is the number at the bottom of the first page of a taxpayer's 1040 (line 37).

If those two conditions are met, then the 3.8% surtax applies to the amount of the investment income, or if smaller, the difference between the taxpayer's MAGI and the limits listed above. For example, if a single taxpayer has $10,000 of dividend income and MAGI of $205,000, then the

3.8% surtax applies to $5,000. If the same taxpayer had MAGI of $211,000, the 3.8% surtax would apply to $10,000.

Filing Status	3.8% Surtax Applies to the Lesser of:	
Married Filing Jointly	Investment Income	MAGI minus $250,000
Married Filing Separately	Investment Income	MAGI minus $125,000
All Others	Investment Income	MAGI minus $200,000

The 3.8% surtax does not apply to distributions from tax-favored retirement plans such as IRAs or qualified plans, although distributions from tax-favored retirement plans may increase a taxpayer's MAGI over the limits discussed above and thereby potentially expose investment income to the 3.8% surtax. In general terms, the 3.8% surtax does not apply to active trades or businesses conducted by a sole proprietor, S corporation or partnership, or to the gains and losses on the sale of active trades or businesses. However, working capital is not treated as being part of an active trade or business for purposes of the 3.8% surtax.

0.9% TAX ON WAGES

An additional 0.9% Medicare tax will be imposed on wages of employees and on earnings of self-employed individuals. The 0.9% Medicare tax will apply to wages and self-employment earnings above the limits below, which are not indexed for inflation:

- $250,000 for taxpayers filing jointly
- $125,000 for taxpayers married filing separately
- $200,000 for other taxpayers

The 0.9% Medicare tax applies to employees, but not to employers. For joint filers, the tax applies to the spouses' combined wages. For self-employed individuals, the 0.9% tax is not deductible.

ALTERNATIVE MINIMUM TAX

The tax rates for computing the AMT tax have remained the same at 26% and 28%, however the exemption and phaseout have changed.

Filing Status	AMT Exemption 2018	AMT Exemption Phaseout Threshold 2018
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

RETIREMENT

INDIVIDUAL RETIREMENT ACCOUNTS

Generally, traditional IRA contributions are fully deductible unless you or your spouse is covered by a workplace retirement plan, in which case the following deduction phaseouts apply. If neither individual nor spouse is covered by a plan, you can deduct up to $6,000 each or MAGI, whichever is less. Contributions are not allowed in the year one reaches age 70½ or older.

Traditional IRA: Deductibility of Contributions

Status	Modified Adjusted Gross Income	Deduction Allowed
Single Filers and Head of Household	$0 - $64,000	$6,000 Maximum
	$64,000 - $74,000	Partial
	More than $74,000	None
Married Filing Jointly and Surviving Spouses	$0 - $103,000	$6,000 Maximum
	$103,000 - $123,000	Partial
	More than $123,000	None
Married Non-Covered Spouse*	$0 - $193,000	$6,000 Maximum
	$193,000 - $203,000	Partial
	More than $203,000	None

* Applies to individuals whose spouses are covered by a workplace plan but who are not covered themselves.

CATCH-UP CONTRIBUTIONS

If you have either a traditional or Roth IRA and attain age 50 or older during the tax year, an additional $1,000 may be contributed.

ROTH IRAS

Contributions made to a Roth IRA are not deductible, unlike contributions made to a traditional IRA, and there is no age restriction on making contributions. An individual may contribute up to $6,000 to the Roth IRA, subject to income phaseout limits.

Roth IRA: Eligibility of Contributions

Status	Modified Adjusted Gross Income	Contribution
Single Filers and Head of Household	$0 - $122,000	$6,000 Maximum
	$122,000 - $137,000	Partial
	More than $137,000	None
Married Filing Jointly and Surviving Spouses	$0 - $193,000	$6,000 Maximum
	$193,000 - $203,000	Partial
	More than $203,000	None

CATCH-UP CONTRIBUTIONS

If you have either a traditional or Roth IRA and attain age 50 or older during the tax year, an additional $1,000 may be contributed.

Traditional & Roth IRA Contribution

Individual maximum contribution	Catch-up contribution if age 50 or older
$6,000	$1,000

401(k), 403(b), 457 and SARSEP Contribution

Employee maximum deferral contribution	Catch-up contribution if age 50 or older
$19,000	$6,000

Simple IRA Contribution

Employee maximum deferral contribution	Catch-up contribution if age 50 or older
$13,000	$3,000

Individual annual limit (415 for DC plans): $56,000

Maximum compensation limit: $280,000

Key Employee limit: $180,000 for officers, $150,000 for more than 1% owners, $1 for more than 5% owners

Highly Compensated Employee limit: $125,000

IRA ROLLOVERS

Currently, you can only make one rollover from an IRA in a 12-month period. In the past, individuals would take distributions from separate IRAs and make multiple rollovers with the philosophy being each IRA only had one rollover. The IRS has clarified that all your IRAs are counted as one and only one rollover can occur per 12-month period. However, this is different than trustee to trustee transfers. Those movements of money are still unlimited. The ruling applies to individuals receiving a check in their hand, and then rolling the money back into the IRA within 60 days.

AFTER TAX 401(K) TO ROTH IRA

Previously if you wanted to roll your after-tax money in a 401(k) to a Roth IRA, you had to navigate through some very complicated rules that even experts could not always agree upon and then keep your fingers crossed that the IRS would bless the transaction. Now, if you have after-tax dollars in a plan and you are able to take a rollover eligible distribution, you may direct those after-tax dollars to a Roth IRA as a tax-free transaction. There are two critical elements to the distributions. First, you must tell the plan administrator how you are allocating the pre-tax and after-tax dollars beforehand (separate checks preferred). And second, the transfers must occur at the same time.

SOCIAL SECURITY

Maximum monthly benefit for retirees at full retirement age in 2019 is $2,861.

If an individual files for Social Security prior to FRA, they are subject to the earnings test. Benefits will be withheld until full retirement age, when benefits are increased permanently to account for withheld benefits.

For those under full retirement age for the entire year: $17,640*

For months before reaching full retirement age in the year full retirement age will be reached: $46,920**

Beginning with month reaching full retirement age: No reduction in benefit associated with earnings

*If your earnings exceed this, then $1 of benefits is withheld for every $2 you earn above $17,640

**If your earnings exceed this, then $1 of benefits is withheld for every $3 you earn above $46,920

Taxation Thresholds

	Up to 50% taxed	Up to 85% taxed
Single	$25,000 - 34,000	More than $34,000
Married Filing Jointly	$32,000 - 44,000	More than $44,000

*Taxation is based on Combined Income, which is defined as AGI + nontaxable interest + 1/2 Social Security Benefits

Taxable wage base: $132,900

REQUIRED MINIMUM DISTRIBUTIONS

Most IRA owners will use the following uniform life table to calculate RMDs. There is an exception when a spousal beneficiary is more than 10 years younger than the participant and is the sole beneficiary on January 1. In this case, a different table is used.

To calculate your RMD, first find the age you will turn in 2019 and the corresponding applicable divisor. Then divide the prior year-end balance of your IRA account by the divisor. The resulting number is the dollar figure you will need to remove from your IRA to meet your RMD for the current year.

For illustration purposes we are using Table III (Uniform Tables).

For example, if you are now 82, your applicable divisor is 17.1. If the balance in your IRA as of December 31 of last year was $235,000, divide that amount by 17.1. The result is $13,742.69. This is the amount of your RMD for the current year.

Age	Applicable Divisor	Age	Applicable Divisor	Age	Applicable Divisor
70	27.4	86	14.1	102	5.5
71	26.5	87	13.4	103	5.2
72	25.6	88	12.7	104	4.9
73	24.7	89	12	105	4.5
74	23.8	90	11.4	106	4.2
75	22.9	91	10.8	107	3.9
76	22	92	10.2	108	3.7
77	21.2	93	9.6	109	3.4
78	20.3	94	9.1	110	3.1
79	19.5	95	8.6	111	2.9
80	18.7	96	8.1	112	2.6
81	17.9	97	7.6	113	2.4
82	17.1	98	7.1	114	2.1
83	16.3	99	6.7	115+	1.9
84	15.5	100	6.3		
85	14.8	101	5.9		

2019 ESTATE, GIFT AND GENERATION SKIPPING TAX

GST Exemption Equivalent Amount	$11,400,000
Annual Gift Tax Exclusion	$15,000
Non-Citizen Spouse Annual Exclusion	$155,000
Gift and Estate Tax Applicable Exclusion Amount	$11,400,000
Unified Credit Amount	$4,505,800

THE ANNUAL GIFT TAX EXCLUSION

$15,000 allowing married couples to gift a combined **$30,000**

TRUST AND ESTATE INCOME TAX RATES

If Taxable Income is:	Your Tax is:
Not over $2,600	10% of the taxable income
over $2,600 to $9,300	$260 plus 24% of the excess over $2,600
over $9,300 to $12,750	$1,868 plus 35% of the excess over $9,300
over $12,750	$3,075 plus 37% of the excess over $12,750

Estate and Gift Tax Rates

Taxable Gift/Estate			Percentage	Of Amount
Over	Not Over	Pay	On Excess	Above
$0	$10,000	$0	18%	$0
10,000	20,000	1,800	20%	10,000
20,000	40,000	3,800	22%	20,000
40,000	60,000	8,200	24%	40,000
60,000	80,000	13,000	26%	60,000
80,000	100,000	18,200	28%	80,000
100,000	150,000	23,800	30%	100,000
150,000	250,000	38,800	32%	150,000
250,000	500,000	70,800	34%	250,000
500,000	750,000	155,800	37%	500,000
750,000	1,000,000	248,300	39%	750,000
$1,000,000		$345,800	40%	$1,000,000

EDUCATION

CONTRIBUTION AMOUNTS TO COVERDELL

$2,000 per beneficiary. This amount is phased out from $190,000 to $220,000 for married filing jointly, and $95,000 to $110,000 for single filers.

GIFTS TO 529 PLAN

Gifts can be front loaded up to $75,000 (5 years x $15,000 annual exclusion) and $150,000 for married couples who split gifts. Front loading uses the annual gift tax exclusion for the current year and the next four years.

As part of the 2018 tax legislation, the use of 529 plans has been extended to cover expenses for tuition in connection with enrollment or attendance at an elementary or secondary public, private, or religious school. These expenses for a single beneficiary during any taxable year should not exceed $10,000 incurred during that year.

AMERICAN OPPORTUNITY CREDIT

Up to 100% of the first $2,000, and 25% of the next $2,000, for a total of $2,500 maximum credit per eligible student per year, with reduction for MAGI between $80,000 and $90,000 for single filers, and $160,000 and $180,000 for joint filers.

LIFETIME LEARNING CREDIT

Up to 20% of the first $10,000 (per taxpayer) of qualified expenses paid in 2019 with reduction for MAGI from $58,000 to $68,000 for single filers and $116,000 to $136,000 for joint filers.

STUDENT LOAN INTEREST DEDUCTION

$2,500 “above-the-line” deduction, with reduction for MAGI from $70,000 to $85,000 for single filers and $140,000 to $170,000 for married filing jointly.

MODIFIED AGI - U.S. SAVINGS BOND INTEREST EXCLUSION

$81,100 to $96,100 for single filers and $121,600 to $151,600 for married filing jointly. Bonds must be titled in the name of the parents only, owner must be age 24 or older at the time of issue, proceeds must be used for qualified post-secondary education expenses of the taxpayer, the taxpayer’s spouse or the taxpayer’s dependent.

KIDDIE TAX RULES

The Kiddie Tax rules require the unearned income of a child or young adult be taxed at the trust and estate tax rates once the unearned income exceeds $2,200. Under the Kiddie Tax rules, the first $1,100 in unearned income is not subject to tax. The next $1,100 of unearned income is taxed at the child’s rate. Then, any unearned income of more than $2,200 is taxed at the trust and estate rate. 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

Please note, your child would not be subject to the Kiddie Tax if:

- He or she only had earned income
- He or she is not required to file because their income is below the filing threshold
- He or she is filing jointly

CHILD TAX CREDIT

With the Tax Cuts and Jobs Act, the Child Tax Credit was expanded to $2,000 per child, with $500 being nonrefundable for dependents who are not qualifying children. The credit is phased out $50 for each $1,000 or fraction thereof of MAGI over $200,000 for single filers and married filing separately and $400,000 for married filing jointly. The credit is also partially refundable up to 15% of earned income in excess of $2,500 for a maximum refund of $1,400.

BUSINESS

CORPORATE TAX RATES:

Flat 21%

CORPORATE DIVIDEND EXCLUSION

Corporations get a tax break for investing in common and preferred stocks (of companies other than their own).

- There is a dividend exclusion of 50% that applies to corporations that own less than 20% of the other company. (In other words, 50% of dividends received from another corporation are tax-free.)
- If the company owns between 20% and 80%, the dividend exclusion is 65%.
- If the company owns 80% or more, the exclusion is 100%.

STANDARD MILEAGE RATE

58 cents per mile for business miles.

PASS-THROUGH BUSINESS INCOME

The Tax Cuts and Jobs Act introduced new taxation for pass-through businesses. Any business organized as a sole proprietorship, LLC, and partnership pays income as a pass-through entity. Owners can now take a 20% deduction on the business income, with limitations phasing in above $157,500 for single filers and $315,000 for married filing jointly. There are limitations on a taxpayer's ability to take the deduction, and anyone subject to this new rule should contact their CPA for more information.

CONSIDERATIONS

PRESENT VALUE OF A LUMP SUM

What if you know you will need $10,000 accumulated 10 years from now? How much money do you need to invest today at an average interest rate of 8% to obtain your goal? Looking at the table below, go to 10 years and then across to 8%. You see that $0.463 invested today at 8% should yield $1 in 10 years. Since you want $10,000, multiply $0.463 by $10,000 to arrive at $4,630.

Years	5%	6%	8%	10%	12%
10	.614	.558	.463	.386	.322
20	.377	.312	.215	.149	.104
30	.231	.174	.099	.057	.033
40	.142	.097	.046	.022	.011

This is a hypothetical illustration and is not intended to reflect the actual performance of any particular security. Actual investor results will vary. Investments involve risk and you may incur a profit or a loss.

FUTURE VALUE OF A LUMP SUM

If you invest $10,000 at an interest rate of 8%, how much will your investment be worth in 10 years? By referring to the table, you find that $1 invested today at 8% would grow to $2.159 in 10 years. Since you invested $10,000, multiply $2.159 by $10,000, giving you $21,590.

Years	5%	6%	8%	10%	12%
10	1.629	1.791	2.159	2.594	3.106
20	2.653	3.207	4.661	6.727	9.646
30	4.322	5.743	10.063	17.449	29.960
40	7.040	10.286	21.725	45.259	93.051

PRESENT VALUE OF A SERIES OF ANNUAL PAYMENTS

How much money would you need to invest today at an interest rate of 8% to provide $10,000 per year for 10 years? Looking at the chart below, to receive $1 per year for 10 years at 8%, you would need to invest $6.710. Multiply that figure by $10,000 to get $67,100, the amount which you would need to invest.

Years	5%	6%	8%	10%	12%
10	7.722	7.360	6.710	6.145	5.650
20	12.462	11.470	9.818	8.514	7.469
30	15.372	13.765	11.258	9.427	8.055
40	17.159	15.046	11.925	9.779	8.244

These are hypothetical illustrations and are not intended to reflect the actual performance of any particular security. Actual investor results will vary. Investments involve risk and you may incur a profit or a loss.

FUTURE VALUE OF A SERIES OF ANNUAL PAYMENTS

If you deposit $5,000 in an annuity at the end of each year for 10 years at an 8% interest rate, you would have $72,435 ($5,000 x $14.487) in your account at the end of the 10th year.

Years	5%	6%	8%	10%	12%
10	12.578	13.181	14.487	15.937	17.549
20	33.066	36.786	45.762	57.275	72.052
30	66.439	79.058	113.283	164.494	241.333
40	120.800	154.762	259.057	442.593	767.091

TAXABLE EQUIVALENT YIELDS

Taxable equivalent yield is the return that is required on a taxable investment to make it equal to the return on a tax-exempt investment. The taxable equivalent yield is commonly used when evaluating municipal bond returns.

Tax Exempt Yields	15%	25%	28%	33%	35%	39.6%
4.00	4.71	5.56	5.55	5.97	6.15	6.62
4.50	5.29	6.25	6.25	6.71	6.92	7.45
5.00	5.88	6.94	6.94	7.46	7.69	8.28
5.50	6.47	7.64	7.63	8.20	8.46	9.11
6.00	7.06	8.33	8.33	8.95	9.23	9.93
6.50	7.65	9.03	9.02	9.70	10.00	10.76
7.00	8.24	9.72	9.72	10.44	10.77	11.59

These are hypothetical illustrations and are not intended to reflect the actual performance of any particular security. Actual investor results will vary. Investments involve risk and you may incur a profit or a loss.

IMPORTANT DEADLINES

Quarterly taxes due
April 15, 2019; June 17, 2019;
September 16, 2019; January 15, 2020

Corporate return deadline
March 15 for calendar year partnerships and S-corporations returns

RMD deadline
April 1, 2019, for those who reached 70½ in 2018
December 31 thereafter

Tax deadline
April 15, 2019, for 2018 returns
October 15, 2019, for extensions

RMD, lock in gains/losses, make contributions to 529 plans, gift
December 31, 2019

SIMPLE IRA
October 1, 2019

Qualified Plan Establishment
December 31, 2019

LIFE WELL PLANNED.

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