

HILLIARD LYONS

THE HOLLANDER GROUP

J.J.B. Hilliard, W.L. Lyons, LLC | Member NYSE, FINRA & SIPC



2018 Planning Guide

MEDICARE IS OFTEN REFERRED TO BY ITS "PARTS"

PART A	Covers part of the cost of hospitalization and is free of a monthly premium for those eligible.
PART B	Covers part of the cost of doctor visits and other health care services. Medicare charges a monthly premium for Part B unless special assistance for the poor is provided.
PART C	Covers part of the cost of prescription drugs and is offered through private insurers.

In addition to Medicare, you may also want additional or alternative insurance offered through private insurers.

Supplemental Insurance	Often referred to as Medigap and designed to cover the costs Medicare does not, such as some deductibles, co-payments and coinsurance.
Medicare Advantage Plans	Sometimes referred to as Medicare Part C. They are responsible for delivering all coverage of Parts A and B. Most also offer Part D prescription drug coverage.

MEDICARE MONTHLY PREMIUMS

Part A	\$0 / \$232.00 / \$422.00*
*Free if greater than or equal to 40 quarters; \$232.00 if 30-39 quarters; \$422.00 if < 30 quarters	
Part B	\$134.00 - \$428.60

SOCIAL SECURITY AGE

If you were born in:	Your full retirement age is:
1943 - 1954	66
1955	66 and 2 months
1956	66 and 4 months
1957	66 and 6 months
1958	66 and 8 months
1959	66 and 10 months
1960 and later	67

MAXIMUM MONTHLY SOCIAL SECURITY RETIREMENT BENEFIT

\$2,788	if you reach FRA in 2018
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PBGC MAXIMUM MONTHLY BENEFIT

\$5,420.45	At age 65
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AGES TO REMEMBER

	AGE	DON'T FORGET...
Eligible to tap tax-deferred savings without penalty for early withdrawal	59 1/2*	Federal income taxes will be due on pretax contributions and earnings
Eligible for early Social Security benefits	62	Taking benefits before full retirement age reduces each monthly payment
Eligible for Medicare	65	Contact Medicare 3 months before your 65th birthday
Full retirement age for Social Security	65 to 67, depending on when you were born	After full-retirement age, earned income no longer affects Social Security benefits

* Age 55 for distributions from employer plans upon termination of employment.

UNIFORM LIFETIME TABLE (PARTIAL)

Age of IRA owner or plan participant	Life expectancy (in years)	Age of IRA owner or plan participant	Life expectancy (in years)
70	27.4	86	14.1
71	26.5	87	13.4
72	25.6	88	12.7
73	24.7	89	12.0
74	23.8	90	11.4
75	22.9	91	10.8
76	22.0	92	10.2
77	21.2	93	9.6
78	20.3	94	9.1
79	19.5	95	8.6
80	18.7	96	8.1
81	17.9	97	7.6
82	17.1	98	7.1
83	16.3	99	6.7
84	15.5	100	6.3
85	14.8	101	5.9

ALTERNATIVE MINIMUM TAX (AMT)

	Exemption	Phaseout
Single	\$70,300	\$500,000
Married filing jointly	\$109,400	\$1,000,000
Married filing separately	\$54,700	\$500,000
Trusts & Estates	\$24,600	\$82,050

AMT RATES

26% up to \$191,500 of AMT base
28% over \$191,500 of AMT base

Financial Consultants

Ronald G. Hollander, Sr. Vice President

Tricia M. Hollander Henning, CFP®, CIMA®, CPWA®, Sr. Vice President

Teri M. Hollander Albin, CFP®, CIMA®, CPWA®, Sr. Vice President

110 Main St., Evansville, IN 47708

(812) 426-1481 | (888) 426-1481 Fax: (812) 428-8697

hollandergroup@hilliard.com

www.thehollandergroup.com

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LTCG RATES BASED ON TAXABLE INCOME			
Filing Status	0% rate	15% rate	20% rate
Single	under \$38,600	\$38,600-\$425,800	over \$425,800
Head of household	under \$51,700	\$51,700-\$452,400	over \$452,400
Married filing jointly	under \$77,200	\$77,200-\$479,000	over \$479,000
Estates and trusts	under \$2,600	\$2,600-\$12,700	Over \$12,700

	2017	2018
	<i>top rate 40%</i>	<i>top rate 40%</i>
Federal Estate, Gift, and GS Tax Exclusion	\$5,490,000	\$11,200,000*
Lifetime Gift Exclusion	\$5,490,000	\$11,200,000*

**Estimated for inflation adjustment*

Gift Tax Exclusion.....\$14,000 \$15,000
 This is the amount an individual may gift to another individual without reporting it on a gift tax return. Married couples may gift \$30,000. A spouse may gift up to \$152,000 (up from \$149,000) to a non-citizen spouse.

	2017	2018
Retirement Plan Contribution Limits		
Annual compensation used to determine contribution for most plans	\$270,000	\$275,000
Defined-contribution plans, basic limit	\$54,000	\$55,000
Defined-benefit plans, basic limit	\$215,000	\$220,000
401(k) plans, 403(b) plans, 457(b) plans, elective deferrals	\$18,000	\$18,500
Catch-up provision for individuals 50 & over, 401(k), 403(b), 457(b) ...	\$6,000	\$6,000
SIMPLE plans, elective deferral limit	\$12,500	\$12,500
SIMPLE plans, catch-up contribution for individuals 50 & over.....	\$3,000	\$3,000
Roth 401(k) (if plan permits).....	\$18,000	\$18,500
Roth 401(k) catch-up contribution for individuals 50 & over	\$6,000	\$6,000
SEP	\$54,000	\$55,000*

**or the lesser of 25% employee's compensation*

Individual Retirement Accounts
 The maximum contribution for both traditional and Roth IRAs remains unchanged at \$5,500 in 2018. The catch-up contribution for individuals 50 and over stays at \$1,000

	2017	2018
Standard Deduction		
Married filing jointly and qualifying widow(er)s.....	\$12,700	\$24,000
Single or married filing separately	\$6,350	\$12,000
Head of household	\$9,350	\$18,000

Medicare Surtax
 3.8% Tax on Lesser of Net Investment Income or Excess of MAGI Over

Single, head of household	\$200,000
Married filing jointly, qualifying widow(er)	\$250,000
Married filing separately.....	\$125,000

Tax on Social Security Benefits
 The income thresholds that determine whether or not Social Security benefits are taxable are not indexed for inflation and therefore remain the same every year. The formula is based on "combined income", also called "provisional income", which includes modified adjusted gross income (MAGI), plus on-half of the Social Security benefit, plus tax-exempt interest.

Married filing jointly	Head of Household or Married filing separately	Amount of Social Security subject to tax
Under \$32,000	Under \$25,000	0
Between \$32,000 & \$44,000	Between \$25,000 & \$34,000	Up to 50%
Over \$44,000	Over \$34,000	Up to 85%

**and not living with spouse. MFS and living with spouse is 85% for income > \$0*

How Working in 2018 may affect your Social Security Benefits

Age	Amount of Benefit Reduction
Under Full Retirement Age (FRA)	\$1 reduction for each \$2 in earnings over \$17,040.
Year of FRA	\$1 reduction for each \$3 in earnings over \$45,360 until the month you reach FRA.
FRA and Over	No reduction regardless of earnings.

MAGI Limits for Roth IRA Contributions in 2018

Filing Status	Full Contribution	Partial Contribution	No Contribution
Single, head of household	Less than \$120,000	\$120,000 - \$135,000	\$135,000 or more
Married filing jointly	Less than \$189,000	\$189,000 - \$199,000	\$199,000 or more
Married filing separately	Less than \$120,000	Less than \$10,000	\$10,000 or more

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Working to Build Wealth and Secure Futures

The Hollander Group is committed to working with you and your family while guiding you through the wealth management process. There is nothing automatic about prosperity. It requires a strategic vision, a well-thought-out plan, and years of deliberate and steady asset growth. As we work to structure, implement and evolve your personal wealth management plan, our partnership with your tax and legal professionals can prove invaluable.

2018 TAX RATES

MARRIED FILING JOINTLY / SURVIVING SPOUSES

If Taxable Income is Over	But Not Over	Tax Is	Plus	Of the Amount Over
\$0	\$19,050	\$0	10%	\$0
\$19,051	\$77,400	\$1,905.00	12%	\$19,050
\$77,401	\$165,000	\$8,907.00	22%	\$77,400
\$165,001	\$315,000	\$28,179.00	24%	\$165,000
\$315,001	\$400,000	\$64,179.00	32%	\$315,000
\$400,001	\$600,000	\$91,379.00	35%	\$400,000
\$600,000		\$161,379.00	37%	\$600,000

SINGLE TAXPAYERS

If Taxable Income is Over	But Not Over	Tax Is	Plus	Of the Amount Over
\$0	\$9,525	\$0	10%	\$0
\$9,526	\$38,700	\$952.50	12%	\$9,525
\$38,701	\$82,500	\$4,453.50	22%	\$38,700
\$82,501	\$157,500	\$14,089.50	24%	\$82,500
\$157,501	\$200,000	\$32,089.50	32%	\$157,500
\$200,001	\$500,000	\$45,689.50	35%	\$200,000
\$500,000		\$150,689.50	37%	\$500,000

HEADS OF HOUSEHOLDS

If Taxable Income is Over	But Not Over	Tax Is	Plus	Of the Amount Over
\$0	\$13,600	\$0	10%	\$0
\$13,601	\$51,800	\$1,360.00	12%	\$13,600
\$51,801	\$82,500	\$5,944.00	22%	\$51,800
\$82,501	\$157,500	\$12,698.00	24%	\$82,500
\$157,501	\$200,000	\$30,698.00	32%	\$157,500
\$200,001	\$500,000	\$44,298.00	35%	\$200,000
\$500,000		\$149,298.00	37%	\$500,000

MARRIED TAXPAYERS FILING SEPARATE RETURNS

If Taxable Income is Over	But Not Over	Tax Is	Plus	Of the Amount Over
\$0	\$9,525	\$0	10%	\$0
\$9,526	\$38,700	\$952.50	12%	\$9,525
\$38,701	\$82,500	\$4,453.50	22%	\$38,700
\$82,501	\$157,500	\$14,089.50	24%	\$82,500
\$157,501	\$200,000	\$32,089.50	32%	\$157,500
\$200,001	\$300,000	\$45,689.50	35%	\$200,000
\$300,000		\$80,689.50	37%	\$300,000

TRUSTS & ESTATES

If Taxable Income is Over	But Not Over	Tax Is	Plus	Of the Amount Over
\$0	\$2,550	\$0	10%	\$0
\$2,551	\$9,150	\$255.00	24%	\$2,550
\$9,151	\$12,500	\$1,839.00	35%	\$9,150
\$12,500		\$3,011.50	37%	\$12,500

The information contained herein is not intended to be legal or tax advice. Consult a qualified tax advisor or attorney regarding specific circumstances.