



WEALTH MANAGEMENT 2016

FINANCIAL PLANNING LIMITS AND TAX RATE SCHEDULES

Building success together. One advisor at a time.

Addressing the complexities of financial planning with your most valuable clients can be difficult. To help, Janus has created a guide to assist with the conversation. Inside you'll find:

- 2016 Tax Rate Schedules
- Comprehensive Income Tax Exemptions and Deductions
- Social Security Planning Coverage and Limits
- Medicare, Healthcare, and Retirement Plan Limits
- Estate and Gift Tax Planning Amounts
- Education and Investment Planning Credits and Deductions

2016 TAX RATE SCHEDULES

IF TAXABLE INCOME IS:		THEN THE GROSS TAX PAYABLE IS:		
Over	But Not Over	Amount	Plus (percent)	Of the Amount Over
Single Taxpayers (Other Than Surviving Spouses and Heads of Households)				
\$0	\$9,275	\$0	10%	\$0
\$9,275	\$37,650	\$927.50	15%	\$9,275
\$37,650	\$91,150	\$5,183.75	25%	\$37,650
\$91,150	\$190,150	\$18,558.75	28%	\$91,150
\$190,150	\$413,350	\$46,278.75	33%	\$190,150
\$413,350	\$415,050	\$119,934.75	35%	\$413,350
\$415,050		\$120,529.75	39.60%	\$415,050
Married Individuals (and Surviving Spouses) Filing Joint Return				
\$0	\$18,550	\$0	10%	\$0
\$18,550	\$75,300	\$1,855.00	15%	\$18,550
\$75,300	\$151,900	\$10,367.50	25%	\$75,300
\$151,900	\$231,450	\$29,517.50	28%	\$151,900
\$231,450	\$413,350	\$51,791.50	33%	\$231,450
\$413,350	\$466,950	\$111,818.50	35%	\$413,350
\$466,950		\$130,578.50	39.60%	\$466,950
Heads of Households				
\$0	\$13,250	\$0	10%	\$0
\$13,250	\$50,400	\$1,325.00	15%	\$13,250
\$50,400	\$130,150	\$6,897.50	25%	\$50,400
\$130,150	\$210,800	\$26,835.00	28%	\$130,150
\$210,800	\$413,350	\$49,417.00	33%	\$210,800
\$413,350	\$441,000	\$116,258.50	35%	\$413,350
\$441,000		\$125,936.00	39.60%	\$441,000
Married Individuals Filing Separate Returns				
\$0	\$9,275	\$0	10%	\$0
\$9,275	\$37,650	\$927.50	15%	\$9,275
\$37,650	\$75,950	\$5,183.75	25%	\$37,650
\$75,950	\$115,725	\$14,758.75	28%	\$75,950
\$115,725	\$206,675	\$25,895.75	33%	\$115,725
\$206,675	\$233,475	\$55,909.25	35%	\$206,675
\$233,475		\$65,289.25	39.60%	\$233,475
Fiduciary (Estates and Trusts) Taxpayers				
\$0	\$2,550	\$0	15%	\$0
\$2,550	\$5,950	\$382.50	25%	\$2,550
\$5,950	\$9,050	\$1,232.50	28%	\$5,950
\$9,050	\$12,400	\$2,100.50	33%	\$9,050
\$12,400		\$3,206.00	39.60%	\$12,400

INCOME TAX EXEMPTIONS & DEDUCTIONS	2016	2015	2014
Personal Exemption	\$4,050	\$4,000	\$3,950
Standard Deductions			
Single	\$6,300	\$6,300	\$6,200
Married filing jointly	\$12,600	\$12,600	\$12,400
Head of household	\$9,300	\$9,250	\$9,100
Married filing separately	\$6,300	\$6,300	\$6,200
Elderly and Blind Deductions			
Single	\$1,550	\$1,550	\$1,550
Married	\$1,250	\$1,250	\$1,200
Phase-Out of Itemized Deductions and Personal Exemptions			
Single	\$259,400	\$258,250	\$254,200
Married	\$311,300	\$309,900	\$305,050
Head of household	\$285,350	\$284,050	\$279,650
Married filing separately	\$155,650	\$154,950	\$152,525
Kiddie Tax			
Amount exempt from tax	\$1,050	\$1,050	\$1,000
Amount taxed at child's rate	\$1,050	\$1,050	\$1,000
Unearned income over this amount taxed at parent's rate	\$2,100	\$2,100	\$2,000
Adoption Credit			
Maximum credit	\$13,460	\$13,400	\$13,190
Phaseout amounts	\$201,920-\$241,920	\$201,010-\$241,010	\$197,880-\$237,880
AMT Exemption			
Single	\$53,900	\$53,600	\$52,800
Married filing jointly	\$83,800	\$83,400	\$82,100
AMT Exemption Phaseout			
Single	\$119,700	\$119,200	\$117,300
Married filing jointly	\$159,700	\$158,900	\$156,500

SOCIAL SECURITY PLANNING	2016	2015	2014
Wage Base	\$118,500	\$118,500	\$117,000
FICA Tax – Employee	7.65%	7.65%	7.65%
Social Security portion	6.20%	6.20%	6.20%
Medicare portion	1.45%	1.45%	1.45%
FICA Tax – Self-Employed	15.30%	15.30%	15.30%
Social Security portion	12.40%	12.40%	12.40%
Medicare portion	2.90%	2.90%	2.90%
Additional Medicare Payroll Tax	0.90%	0.90%	0.90%
Single	\$200,000	\$200,000	\$200,000
Joint	\$250,000	\$250,000	\$250,000
Quarter of Coverage	\$1,260	\$1,220	\$1,200
Earnings Limitations			
Under full retirement age (\$1 reduced for every \$2 earned)	\$15,720	\$15,720	\$15,480
Year of full retirement age (\$1 reduced for every \$3 earned)	\$41,880	\$41,880	\$41,400
Beginning the month of full retirement age	No limit on earnings	No limit on earnings	No limit on earnings
Cost of Living Adjustment	0.00%	1.70%	1.50%
Maximum Monthly Benefit	\$2,639	\$2,663	\$2,642
Percentage of Social Security Benefits Subject to Tax			
<i>Single filers with combined income:</i>			
less than \$25,000	0%	0%	0%
between \$25,000 -- \$34,000	50%	50%	50%
over \$34,000	85%	85%	85%
<i>Joint filers with combined income</i>			
less than \$32,000	0%	0%	0%
between \$32,000 -- \$44,000	50%	50%	50%
over \$44,000	85%	85%	85%

MEDICARE AND HEALTH CARE PLANNING

2016

2015

2014

Medicare Part A Monthly Premium Amounts

40+ quarters of coverage	\$0	\$0	\$0
30-39 quarters of coverage	\$226	\$224	\$234
< 30 quarters of coverage	\$411	\$407	\$426

Medicare Part B Monthly Premium Amounts

\$104.90-\$389.90	\$104.90-\$335.70	\$104.90-\$335.70
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Medicare Part A Hospital Insurance

First 60 days – deductible	\$1,288	\$1,260	\$1,216
Next 30 days – per day	\$322	\$315	\$304
Next 60 days – per day	\$644	\$630	\$608

Skilled Nursing Benefits

First 20 days—per day	\$0	\$0	\$0
Next 80 days – per day	\$161	\$157.50	\$152
Over 100 days – per day	All	All	All

Part B Deductible

\$166	\$147	\$147
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Part D Deductible

\$360	\$320	\$310
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Coverage Limit	\$3,310	\$2,960	\$2,850
Out-of-Pocket Threshold	\$4,850	\$4,700	\$4,550

Health Savings Account Limits

Individual	\$3,350	\$3,350	\$3,300
Family	\$6,750	\$6,650	\$6,550
Catch up contribution (age 55 or older)	\$1,000	\$1,000	\$1,000

Health Savings Account Minimum Deductible

Individual	\$1,300	\$1,300	\$1,250
Family	\$2,600	\$2,600	\$2,500

Health Savings Account Maximum Out-of-Pocket

Individual	\$6,550	\$6,450	\$6,350
Family	\$13,100	\$12,900	\$12,700

Long-Term Care Per Diem Limit

\$340	\$330	\$330
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Long-Term Care Premium Deduction Limits

Age 40 or under	\$390	\$380	\$370
Age 41-50	\$730	\$710	\$700
Age 51-60	\$1,460	\$1,430	\$1,400
Age 61-70	\$3,900	\$3,800	\$3,720
Over age 70	\$4,870	\$4,750	\$4,660

RETIREMENT PLAN LIMITS	2016	2015	2014
Elective Deferral Limits			
401(k), 403(b) and 457(b) plans	\$18,000	\$18,000	\$17,500
Catch-up contribution	\$6,000	\$6,000	\$5,500
SIMPLE IRAs	\$12,500	\$12,500	\$12,000
Catch-up contribution	\$3,000	\$3,000	\$2,500
Traditional and Roth IRAs Contribution Limits			
Catch-up contribution	\$5,500	\$5,500	\$5,500
	\$1,000	\$1,000	\$1,000
Traditional IRA Deduction Phaseout for Active Participants			
Single	\$61,000-\$71,000	\$61,000-\$71,000	\$60,000-\$70,000
Married filing jointly	\$98,000-\$118,000	\$98,000-\$118,000	\$96,000-\$116,000
Married filing separately	\$0-\$10,000	\$0-\$10,000	\$0-\$10,000
Spousal IRA	\$184,000-\$194,000	\$183,000-\$193,000	\$181,000-\$191,000
Roth IRA Contribution Phaseouts			
Single	\$117,000-\$132,000	\$116,000-\$131,000	\$114,000-\$129,000
Married filing jointly	\$184,000-\$194,000	\$183,000-\$193,000	\$181,000-\$191,000
Married filing separately	\$0-\$10,000	\$0-\$10,000	\$0-\$10,000
Maximum Includable Compensation	\$265,000	\$265,000	\$265,000
Defined Benefit Limit	\$210,000	\$210,000	\$210,000
Defined Contribution Limit	\$53,000	\$53,000	\$52,000
Highly Compensated Employees	> \$120,000	> \$120,000	> \$115,000
Key Employee	> \$170,000	> \$170,000	> \$170,000
SEP Minimum Compensation Limit	\$600	\$600	\$550

ESTATE AND GIFT TAX PLANNING	2016	2015	2014
Annual gift exclusion	\$14,000	\$14,000	\$14,000
Estate tax applicable exclusion amount	\$5,450,000	\$5,430,000	\$5,340,000
Gift tax exclusion amount	\$5,450,000	\$5,430,000	\$5,340,000
Noncitizen spouse annual gift exclusion	\$148,000	\$147,000	\$145,000
GST exemption	\$5,450,000	\$5,430,000	\$5,340,000
Special use valuation limit (qualified real property in the decedent's gross estate)	\$1,110,000	\$1,100,000	\$1,090,000

EDUCATION PLANNING	2016	2015	2014
Interest Exclusion on EE Saving Bonds			
Single phaseouts	\$77,550-\$92,550	\$77,200-\$92,200	\$76,000-\$91,000
Married filing jointly phaseouts	\$116,300-\$146,300	\$115,750-\$145,750	\$113,950-\$143,950
Coverdell Education Savings Account Phaseout			
Single phaseouts	\$95,000-\$110,000	\$95,000-\$110,000	\$95,000-\$110,000
Married filing jointly phaseouts	\$190,000-\$220,000	\$190,000-\$220,000	\$190,000-\$220,000
Lifetime Learning Credit			
Maximum credit	\$2,000	\$2,000	\$2,000
Single phaseouts	\$55,000-\$65,000	\$55,000-\$65,000	\$54,000-\$64,000
Married filing jointly phaseout	\$110,000-\$130,000	\$110,000-\$130,000	\$109,000-\$129,000
American Opportunity Credit			
Maximum credit	\$2,500	\$2,500	\$2,500
Single phaseouts	\$80,000-\$90,000	\$80,000-\$90,000	\$80,000-\$90,000
Married filing jointly phaseout	\$160,000-\$180,000	\$160,000-\$180,000	\$160,000-\$180,000
Interest Deduction for Education Loans			
Maximum deduction	\$2,500	\$2,500	\$2,500
Single phaseout	\$65,000-\$80,000	\$65,000-\$80,000	\$65,000-\$80,000
Married filing jointly phaseout	\$130,000-\$160,000	\$130,000-\$160,000	\$130,000-\$160,000
\$4,000 Higher Education Deduction			
Single AGI cutoff	\$65,000	\$65,000	\$65,000
Married filing jointly AGI cutoff	\$130,000	\$130,000	\$130,000
\$2,000 Higher Education Deduction			
Single phaseout	\$80,000	\$80,000	\$65,000-\$80,000
Married filing jointly phaseout	\$160,000	\$160,000	\$130,000-\$160,000

INVESTMENT PLANNING	2016	2015	2014
Top Long-Term Capital Gain Rate	20%	20%	20%
Top Rate on Qualified Dividends	20%	20%	20%
Medicare Surtax on Net Investment Income	3.80%	3.80%	3.80%
Single taxpayers	\$200,000	\$200,000	\$200,000
Married taxpayers	\$250,000	\$250,000	\$250,000
Estates & Trusts	\$12,400	\$12,300	\$12,150

Source: IRS

To learn more about how Janus can be a partner in your retirement planning business call your Janus Representative at 877-33JANUS (52687).

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