

Traditional and Roth IRA Contribution Limits	
Regular	\$5,500
Catch-up (age 50+)	Additional \$1,000

Roth IRA Income and Contribution Limits		
Filing Status	Modified AGI	Contribution
MFJ or QW	Less than \$184,000	Up to the limit
	At least \$184,000 but less than \$194,000	Amount is reduced
	\$194,000 or more	Cannot contribute
Single, HoH, or MFS and did not live with your spouse at any time during 2015	Less than \$117,000	Up to the limit
	At least \$117,000 but less than \$132,000	Amount is reduced
	\$132,000 or more	Cannot contribute
MFS and lived with your spouse at any time during 2015	zero (-0-)	Up to the limit
	More than zero (-0-) but less than \$10,000	Amount is reduced
	\$10,000 or more	Cannot contribute

Traditional IRA Deduction if Covered by Retirement Plan		
Filing Status	Modified AGI	Deduction
MFJ or QW	\$98,000 or less	Full deduction
	\$98,001 - \$117,999	Partial deduction
	\$118,000 or more	No deduction
Single or HoH	\$61,000 or less	Full deduction
	\$61,001 - \$70,999	Partial deduction
	\$71,000 or more	No deduction
MFS	less than \$10,000	Partial deduction
	\$10,000 or more	No deduction

Traditional IRA Deduction if Not Covered by Retirement Plan		
Filing Status	Modified AGI	Deduction
Single or HoH or QW	Any amount	Full deduction
MFJ or MFS with a spouse who is not covered by a plan	Any amount	Full deduction
MFJ (with a spouse who is covered by a plan)	\$184,000 or less	Full deduction
	\$184,001 - \$193,999	Partial deduction
	\$194,000 or more	No deduction
MFS (with a spouse who is covered by a plan)	Less than \$10,000	Partial deduction
	\$10,000 or more	No deduction

Health Savings Accounts (HSAs)		
For use with High Deductible Health Insurance Plans		
	Self-only	Family
Maximum contribution	\$3,350	\$6,750
Catch-up (age 55+)	Additional \$1,000	

Qualified Plan Contribution and Income Limits	
Maximum elective deferral for 401(k), Roth 401(k), 403(b), 457	\$18,000
Catch-up contribution limit for 401(k), Roth 401(k), 403(b), 457	\$6,000
Maximum elective deferral to SIMPLE 401(k) plans and SIMPLE IRAs	\$12,500
Catch-up contribution limit for SIMPLE plans	\$3,000
Limit on annual additions to SEP Plans	\$53,000
Annual compensation threshold requiring SEP contribution (limited to 25%)	\$265,000
Limit on annual additions to defined contribution plans	\$53,000
Maximum annual compensation taken into account for contributions	\$265,000
Annual benefit limit under defined benefit plans	\$210,000
Threshold amount for definition of highly compensated employee	\$120,000
Threshold amount for definition of key employee in top heavy plans	\$170,000

Kiddie Tax Rules
Dependent children under age 19 pay income tax at their parents' rate on investment income over \$2,100. Also applies to dependent, full time students under age 24 whose earned income is less than half of their support needs.
<b>Kiddie Tax AMT Exemption:</b> The lesser of \$7,400 plus the child's earned income, or \$53,900.

**Uniform Lifetime Table**  
For Use by: Unmarried Owners, Married Owners Whose Spouses Are Not More Than 10 Years Younger, and Married Owners Whose Spouses Are Not the Sole Beneficiaries of Their IRAs

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

Estate Tax Information
Applicable Exclusion Amount - \$5,450,000 (portable)
Lifetime Gifts Market Value Exemption-\$5,450,000 (portable)
Maximum Estate Tax Rate & Gift Tax Rate - 40%
GST Exemption Amount Allowable-\$5,450,000 (not portable)
Maximum GST Transfer Tax Rate - 40%
Annual Gift Tax Exclusion- \$14,000 per donor per donee
Annual Exclusion for gifts to Non-U.S. Spouse \$148,000

The information contained above has been obtained from third parties that we deem reliable, however no guarantee can be made with respect to its accuracy. Punch & Associates does not offer tax or legal advice and investors should consult their tax and legal advisors. For more information, please visit the Internal Revenue Service Website: [www.irs.gov](http://www.irs.gov).

2016 Tax Rate Schedule		
If the Taxable Income (\$) is Between:	The Tax (\$) is:	Of the Amount Over (\$):
<b>Single</b>		
0 - 9,275	10% of taxable income	0
9,276 - 37,650	927.50 + 15%	9,275
37,651 - 91,150	5,183.75 + 25%	37,650
91,151 - 190,150	18,558.75 + 28%	91,150
190,151 - 413,350	46,278.75 + 33%	190,150
413,351 - 415,050	119,934.75 + 35%	413,350
Over 415,050	120,529.75 + 39.6%	415,050
<b>MFJ (1/2 for MFS, same %) and Surviving Spouses</b>		
0 - 18,550	10% of taxable income	0
18,551 - 75,300	1,855 + 15%	18,550
75,301 - 151,900	10,367.50 + 25%	75,300
151,901 - 231,450	29,517.50 + 28%	151,900
231,451 - 413,350	51,791.50 + 33%	231,450
413,501 - 466,950	111,818.50 + 35%	413,350
Over 466,950	130,578.50 + 39.6%	466,950
<b>Head of Household</b>		
0 - 13,250	10% of taxable income	0
13,251 - 50,400	1,325 + 15%	13,250
50,401 - 130,150	6,897.50 + 25%	50,400
130,151 - 210,800	26,835.50 + 28%	130,150
210,801 - 413,350	49,417.50 + 33%	210,800
413,351 - 441,000	116,258.50 + 35%	413,350
Over 441,000	125,936 + 39.6%	441,000
<b>Trusts and Estates</b>		
0 - 2,550	15% of taxable income	0
2,551 - 5,950	382.50 + 25%	2,550
5,951 - 9,050	1,232.50 + 28%	5,950
9,051 - 12,400	2,100.50 + 33%	9,050
Over 12,400	3,206 + 39.6%	12,400
<b>Standard Deductions</b>		
Single & MFS	\$6,300	
MFJ or QW	\$12,600	
HoH	\$9,300	
Surviving Spouse	\$12,600	

Tax Payment Deadlines		
1/15/16	4th Quarter 2015 Estimated Tax Payment Due.	
3/16/16	2015 Corporate Tax Payment and Filing deadline.	
4/15/16	2014 Tax Payment and Filing deadline, or request extension to 10/16. 1st Quarter 2016 Estimated Tax Payment Due. Last day to make a 2015 IRA Contribution.	
6/15/16	2nd Quarter 2016 Estimated Tax Payment Due.	
9/15/16	3rd Quarter 2016 Estimated Tax Payment Due.	
10/15/16	Extended Individual Tax Returns Due. Last chance to Recharacterize 2015 Roth IRA Conversion.	
Education Incentives		
<b>Coverdell Education Savings:</b>		
Contribution limit: \$2,000 per beneficiary		
AGI Phase-outs:	MFJ	\$190,000--\$220,000
	Single	\$95,000--\$110,000
<b>EE bonds for education:</b>		
Exclusion phase-out		
MFJ	\$116,300--\$146,300	
Single	\$77,500--\$92,550	
<b>Hope Scholarship (American Opportunity Tax Credit):</b>		
Maximum credit: Up to \$2,500		
AGI Phase-outs:	MFJ	\$160,000--\$180,000
	Single	\$80,000--\$90,000
<b>Lifetime Learning Credit:</b>		
Maximum credit: Up to \$2,000		
AGI Phase-outs:	MFJ	\$111,000--\$131,000
	Single	\$55,000--\$65,000
<b>Student Loan Interest Deduction:</b>		
Maximum deduction: \$2,500		
AGI Phase-outs:	MFJ	\$130,000--\$160,000
	Single	\$65,000--\$80,000
2016 Personal Exemption Phaseout (Estimate)		
Filing Status	Phaseout Begin	Phaseout Complete
Single	\$259,400	\$381,900
MFJ	\$311,300	\$433,800
HoH	\$285,350	\$407,850

## 2016 Tax Update

2016 Pease Limitations on Itemized Deductions	
Income over the applicable amount will trigger an itemized deduction limitation that is the lesser of 3% of the adjusted gross income above the applicable amount, or 80% of the amount of the itemized deductions otherwise allowable for the taxable year.	
Filing Status	Income
Single	\$259,400
MFJ	\$311,300
HoH	\$285,350
MFS	\$155,650
Capital Gains Rates	
Type of Gain	Taxed at:
Net short term (held one year or less) (ST)	Ordinary income rate to 39.6%
Long-term (more than one year) (LT)	0% for 10% & 15% brackets, 15% for all other brackets <b>except 20% at highest bracket</b>
Collectibles- 1 year or less	ST rates up to 39.6%
Collectibles-more than 1 year	Maximum 28% rate
Section 1202 Gains	Maximum 28% rate
Real estate main home exclusion	MFJ: \$500,000 Single: \$250,000
Medicare Surtax	
.9% on wages over \$200K (single), \$250K (MFJ), \$125 (MFS)	
3.8% on the lesser of Net Investment Income or the excess of AGI above \$200K (single), \$250 (MFJ), \$125K (MFS)	
Miscellaneous Tax Information	
<b>Alternative Minimum Tax Exemption:</b> \$53,900 single / \$83,800 married	
<b>The Personal Exemption amount:</b> \$4,050 per eligible person	
<b>Qualified Charitable Distributions</b> from IRA's are now allowed in 2016	
<b>Social Security Taxable Wage Base:</b> \$118,500	

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