

# 2016 TAX FACTS AT A GLANCE



## 2016 Income Tax Rate Schedule

| If Taxable Income Is:         |              |                      |                    |
|-------------------------------|--------------|----------------------|--------------------|
| Over                          | But Not Over | The Tax Is           | Of The Amount Over |
| <b>Married Filing Jointly</b> |              |                      |                    |
| \$0                           | \$18,550     | \$0 + 10%            | \$0                |
| \$18,550                      | \$75,300     | \$1,855 + 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                     | And Over     | \$130,578.50 + 39.6% | \$466,950          |
| <b>Single</b>                 |              |                      |                    |
| \$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                     | And Over     | \$120,529.75 + 39.6% | \$415,050          |
| <b>Estates and Trusts</b>     |              |                      |                    |
| \$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                      | And Over     | \$3,206 + 39.6%      | \$12,400           |

## Education Incentives 2015 and 2016

|   |                       |
|---|-----------------------|
| <b>American Opportunity Tax Credit (formerly Hope Credit)</b> |                       |
| 100% of first \$2,000 qualified expenses                      | \$2,000               |
| 25% of next \$2,000 qualified expenses                        | \$500                 |
| <b>Phase-Outs for American Opportunity Tax Credit</b>         |                       |
| Married Filing Jointly  | \$160,000 – \$180,000 |
| Others  | \$80,000 – \$90,000   |
| <b>Lifetime Learning Credit</b>                               |                       |
| 20% of Expenses   | up to \$2,000         |
| <b>Phase-Outs for Lifetime Learning Credits</b>               |                       |
| Married Filing Jointly  | \$110,000 – \$130,000 |
| Others  | \$55,000 – \$65,000   |

## Corporate Taxes 2015 and 2016

| If Taxable Income Is: |              |                   |                    |
|-----------------------|--------------|-------------------|--------------------|
| Over                  | But Not Over | The Tax Is        | Of The Amount Over |
| \$0                   | \$50,000     | \$0 + 15%         | \$0                |
| \$50,000              | \$75,000     | \$7,500 + 25%     | \$50,000           |
| \$75,000              | \$100,000    | \$13,750 + 34%    | \$75,000           |
| \$100,000             | \$335,000    | \$22,250 + 39%    | \$100,000          |
| \$335,000             | \$10,000,000 | \$113,900 + 34%   | \$335,000          |
| \$10,000,000          | \$15,000,000 | \$3,400,000 + 35% | \$10,000,000       |
| \$15,000,000          | \$18,333,333 | \$5,150,000 + 38% | \$15,000,000       |
| \$18,333,333          | And Over     | \$6,416,667 + 35% | \$18,333,333       |

## 2015 Income Tax Rate Schedule

| If Taxable Income Is:         |              |                      |                    |
|-------------------------------|--------------|----------------------|--------------------|
| Over                          | But Not Over | The Tax Is           | Of The Amount Over |
| <b>Married Filing Jointly</b> |              |                      |                    |
| \$0                           | \$18,450     | \$0 + 10%            | \$0                |
| \$18,450                      | \$74,900     | \$1,845 + 15%        | \$18,450           |
| \$74,900                      | \$151,200    | \$10,312.50 + 25%    | \$74,900           |
| \$151,200                     | \$230,450    | \$29,387.50 + 28%    | \$151,200          |
| \$230,450                     | \$411,500    | \$51,577.50 + 33%    | \$230,450          |
| \$411,500                     | \$464,850    | \$111,324 + 35%      | \$411,500          |
| \$464,850                     | And Over     | \$129,996.50 + 39.6% | \$464,850          |
| <b>Single</b>                 |              |                      |                    |
| \$0                           | \$9,225      | \$0 + 10%            | \$0                |
| \$9,225                       | \$37,450     | \$922.50 + 15%       | \$9,225            |
| \$37,450                      | \$90,750     | \$5,156.25 + 25%     | \$37,450           |
| \$90,750                      | \$189,300    | \$18,481.25 + 28%    | \$90,750           |
| \$189,300                     | \$411,500    | \$46,075.25 + 33%    | \$189,300          |
| \$411,500                     | \$413,200    | \$119,401.25 + 35%   | \$411,500          |
| \$413,200                     | And Over     | \$119,996.25 + 39.6% | \$413,200          |
| <b>Estates and Trusts</b>     |              |                      |                    |
| \$0                           | \$2,500      | \$0 + 15%            | \$0                |
| \$2,500                       | \$5,900      | \$375 + 25%          | \$2,500            |
| \$5,900                       | \$9,050      | \$1,225 + 28%        | \$5,900            |
| \$9,050                       | \$12,300     | \$2,107 + 33%        | \$9,050            |
| \$12,300                      | And Over     | \$3,179.50 + 39.6%   | \$12,300           |

## Standard Deductions

|  | 2016     | 2015     |
|--|----------|----------|
| <b>Married Filing Jointly</b>              | \$12,600 | \$12,600 |
| <b>Head of Household</b>                   | \$9,300  | \$9,250  |
| <b>Single/Married Filing Separately</b>    | \$6,300  | \$6,300  |
| <b>Additional (Age 65/older, or blind)</b> |          |          |
| Married Filing Jointly                     | \$1,250  | \$1,250  |
| Single, not surviving spouse               | \$1,550  | \$1,550  |

## Personal Exemptions

|                    | 2016    | 2015    |
|--------------------|---------|---------|
| Personal Exemption | \$4,050 | \$4,000 |

## Kiddie (under age 18 with unearned income)

|                              | 2016    | 2015    |
|------------------------------|---------|---------|
| First (No Tax)               | \$1,050 | \$1,050 |
| Next (Child's Rate)          | \$1,050 | \$1,050 |
| Amounts Over (Parent's Rate) | \$2,100 | \$2,100 |

## Child Tax Credit

\$1,000 per child under age 17; phases-out \$50 for each \$1,000 of AGI over \$110,000 (Married Filing Jointly), \$75,000 (single), or \$55,000 (Married Filing Separately).

## Capital Gains and Qualified Dividends Taxes

|  | 2016 | 2015 |
|--|------|------|
| <b>Rates on Qualified Dividends and Gains for Assets Held at Least 12 Months</b> |      |      |
| 15% Bracket or Below   | 0%   | 0%   |
| 25%, 28%, 33%, 35% Bracket   | 15%  | 15%  |
| 39.6% Bracket  | 20%  | 20%  |

Not insured by the FDIC or any federal government agency. May lose value. Not a deposit of or guaranteed by any bank, bank affiliate, or credit union.

| Estate Tax                                 |  |
|--|--|
| 2015 – \$5,430,000 exemption; 40% tax rate |  |
| 2016 – \$5,450,000 exemption; 40% tax rate |  |
| Generation-Skipping Transfer Tax           | Gift Taxes                                 |
| 2015 – \$5,430,000 exemption; 40% tax rate | 2015 – Annual Gift Tax Exclusion; \$14,000 |
| 2016 – \$5,450,000 exemption; 40% tax rate | 2016 – Annual Gift Tax Exclusion; \$14,000 |
|  | 2015 – \$5,430,000 exemption; 40% tax rate |
|  | 2016 – \$5,450,000 exemption; 40% tax rate |

| IRAs   | 2016                  | 2015                  |
|--|-----------------------|-----------------------|
| <b>Traditional or Roth IRA Contribution</b>  | \$5,500               | \$5,500               |
| IRA Catch-Up - Age 50 or Older   | \$1,000               | \$1,000               |
| <b>Phase-Out Range for Deductible Contributions to Traditional IRAs</b>                |                       |                       |
| Married Filing Jointly   | \$98,000 – \$118,000  | \$98,000 – \$118,000  |
| Single/Head of Household   | \$61,000 – \$71,000   | \$61,000 – \$71,000   |
| Married Filing Separately  | \$0 – \$10,000        | \$0 – \$10,000        |
| <b>Phase-Out Range for Non-Active Participant Who Has An Active-Participant Spouse</b> |                       |                       |
|  | \$184,000 – \$194,000 | \$183,000 – \$193,000 |
| <b>Phase-Out Range for Contributions to Roth IRAs</b>                                  |                       |                       |
| Married Filing Jointly   | \$184,000 – \$194,000 | \$183,000 – \$193,000 |
| Single/Head of Household   | \$117,000 – \$132,000 | \$116,000 – \$131,000 |
| Married Filing Separately  | \$0 – \$10,000        | \$0 – \$10,000        |

| Qualified Retirement Plans (Maximum Limits) 2015 and 2016                                     |           |
|---|-----------|
| <b>SEP Plan Participant Maximum Percentage of Compensation</b>                                | 25%       |
| SEP Plan Per Participant Maximum Dollar Allocation Limit                                      | \$53,000  |
| SEP Minimum Compensation  | \$600     |
| <b>SIMPLE IRA and SIMPLE 401(k) plans—Employee Contribution</b>                               | \$12,500  |
| SIMPLE IRA Catch-Up—Age 50 or Older   | \$3,000   |
| <b>401(k) Plan/457 Plan/Existing SAR-SEP Plan—Elective Employee Deferral</b>                  | \$18,000  |
| 401(k) Plan, 457 Plan Catch-Up—Age 50 or Older  | \$6,000   |
| <b>403(b) TSA—Elective Employee Deferral</b>  | \$18,000  |
| 403(b) TSA Catch-Up—Age 50 or Older   | \$6,000   |
| 403(b) TSA Catch-Up—15 or More Years of Service With Current Employer                         | \$3,000   |
| <b>Defined Contribution Plan Per Participant—Maximum Dollar Allocation Limit</b>              | \$53,000  |
| <b>Defined Contribution Maximum Employer Percentage Deduction Limit (of eligible payroll)</b> | 25%       |
| <b>Defined Benefit Plan Maximum Benefit</b>   | \$210,000 |
| <b>Covered Compensation Limit</b>   | \$265,000 |
| <b>Highly Compensated Employee</b>  | \$120,000 |

| Social Security 2016  |                      |                      |
|---|----------------------|----------------------|
| Full Retirement Age   | 66 years             |                      |
| Portion of Benefit Paid at Age 62   | 75%                  |                      |
| Maximum Monthly Benefit for Workers Retiring at Full Retirement Age: \$2,639  |                      |                      |
| <b>Maximum Earnings Before Social Security Benefits Are Reduced</b>   |                      |                      |
| Under Full Retirement Age   | \$15,720             |                      |
| (Lose \$1 for Every \$2 of Earnings)  | \$1,310/month        |                      |
| For Months Before Reaching Full Retirement Age in Given Year: \$41,880  |                      |                      |
| (Lose \$1 for Every \$3 of Earnings)  | \$3,490/month        |                      |
| Full Retirement Age   | No Limit             |                      |
| <b>Maximum Compensation Subject to FICA Taxes</b>   |                      |                      |
| OASDI (Social Security) Maximum   | \$118,500            |                      |
| HI (Medicare) Maximum   | No Limit             |                      |
| <ul style="list-style-type: none"> <li>• <b>OASDI Tax Rate:</b> 12.4% self-employed, 6.2% employee and employer</li> <li>• <b>HI Tax Rate:</b> 2.9% self-employed, 1.45% employee and employer</li> </ul> |                      |                      |
| <b>Base Amount of Modified AGI Causing SS Benefits to Be Taxable</b>  |                      |                      |
|   | <b>2015 and 2016</b> |                      |
|   | <b>(50% Taxable)</b> | <b>(85% Taxable)</b> |
| Single  | \$25,000 – \$34,000  | \$34,000+            |
| Married Filing Jointly  | \$32,000 – \$44,000  | \$44,000+            |

| Required Minimum Distributions** |        |     |        |
|----------------------------------|--------|-----|--------|
| Age                              | Factor | Age | Factor |
| 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    |

\*A different table (Joint Life and Lost Survivor) may be used if the sole beneficiary is the owner's spouse who is more than 10 years younger than the owner.

†This table is used for calculating required minimum distributions during the owner's lifetime.

Neither Transamerica nor its agents or representatives may provide tax or legal advice. Anyone to whom this material is promoted, marketed, or recommended should consult with and rely on their own independent tax and legal advisors regarding their particular situation and the concepts presented herein.

Although care is taken to present correct information, Transamerica does not guarantee nor is liable for the accuracy of this material.

Securities are underwritten and distributed by Transamerica Capital, Inc.