

## Tax-Advantaged Accounts: Retirement Plans

### Traditional IRA Contribution Limits

Under Age 50	\$6,000*
Age 50 and Above (with catch-up)	\$7,000**

### Phaseout Ranges for IRA Contribution Deductibility

Married, Filing Jointly	\$103,000 - \$123,000 MAGI***
Married, Filing Separately	\$0 - \$10,000 MAGI
Single & Head of Household	\$64,000 - \$74,000 MAGI
Spousal IRA Filing Jointly, IRA of Nonparticipant	\$193,000 - \$203,000 MAGI

Full deduction is permitted below a phaseout range. Scaled partial deduction is permitted with range. No deduction is permitted above range. Qualified clients not eligible for deductible contributions may make nondeductible contributions up to the annual limit.

*\*Or 100% of taxable compensation, whichever is less*

*\*\*Includes \$1,000 catch-up contribution*

*\*\*\*Modified Adjusted Gross Income*

### SEP IRA Contribution Limits

- Flexible employer contributions up to the less of \$56,000 or 25% of employee compensation or 25% of net earnings from self-employment up to \$56,000\*.
- A minimum of \$600 in compensation required to participate in SEP.

*\*A maximum compensation cap of \$280,000 per employee applies.*

### Roth IRA Contribution Limits

Under Age 50	\$6,000*
Age 50 and Above (with catch-up)	\$7,000**

### Phaseout Ranges for Roth IRA Contribution Deductibility

Married, Filing Jointly	\$193,000 - \$203,000 MAGI
Married, Filing Separately	\$0 - \$10,000 MAGI
Single & Head of Household	\$122,000 - \$137,000 MAGI

Roth conversion income is not included in MAGI. Full contribution is permitted below phaseout range. Scaled partial contribution permitted within range. No contribution is permitted above range.

*\*Or 100% of taxable compensation, whichever is less*

*\*\*Includes \$1,000 catch-up contribution*

### Roth IRA Conversions

All Filing Statuses                      No MAGI Limit

### Estate and Gift Tax

Individual Estate Tax Exclusion (Federal) (Any unused amount can transfer to a surviving spouse)	\$11,400,000
Maximum Estate Tax Rate	40%
Gift Tax Exclusion	\$11,400,000
Generational-skipping Exclusion	\$11,400,000
Annual Gift Tax Exclusion (per recipient)	\$15,000
Lump Sum Accelerated Gift to a 529 Plan (5-year rule)	\$75,000

### Defined Benefit Plan

Lesser of \$225,000 or 100% of the participant's average compensation for his/her three high consecutive years of active plan participation.

### 401(k), 403(b), 457, SARSEP Contribution Limits

#### Salary Deferral

Under Age 50	\$19,000
Age 50 & Above	\$25,000

#### Maximum Contributions

- Maximum total contributions per employee are limited to \$56,000 or 100% of compensation with a \$280,000 compensation cap per employee.
- 401(k) and profit-sharing plans may be combined,

*Information is accurate as of 1/1/19. If legal, accounting, insurance, investment, or retirement assistance is required; the services of a competent professional should be sought.*

### Tax-Advantaged Accounts: Education Plans

#### Section 529 College Savings Account

	Annual Contribution*	5-Year Contribution Made in a Single Year**
Single	\$15,000 per beneficiary	\$75,000 per beneficiary
Married Couple	\$30,000	\$150,000

\*Contributions are completed gifts subject to the annual gift tax exclusion and are removed from the contributor's federal estate.

\*\*Contributions between \$15,000 and \$75,000 (\$30,000 and \$150,000 for married couples filing jointly) made in one year can be prorated of a five-year period without subjecting you to gift tax or reducing your federal unified estate and gift tax credit. If the account owner dies before the end of the five year period, a prorated portion of the contribution may be included in the estate for estate tax purposes. Also, any appreciation on the entire original gift is not considered part of the estate.

**Section 529 plan** earnings grow federal and, in most cases, are state income tax free as long as the withdrawals are used for qualified higher education expenses. The earnings portion of withdrawals for nonqualified expenses will be subject to federal income tax and a 10% additional federal tax, and may also be subject to state income or other taxes.

#### Coverdell Educational Savings Account

Beneficiaries under age 18 and special needs beneficiaries of any age (maximum contribution)	\$2,000
<b>Phaseout Ranges for Coverdell ESA Contribution Eligibility</b>	
Single	\$95,000 - \$110,000 MAGI
Married, Filing Jointly	\$190,000 - \$220,000 MAGI

#### Lifetime Learning Credits

20% of first \$10,000 of educational expenses (max \$2,000) per taxpayer	
<b>Phaseout Amounts for Credit Eligibility</b>	
Single & Head of Household	\$58,000 - \$68,000 MAGI
Married, Filing Jointly	\$116,000 - \$136,000 MAGI

#### Phaseout of Exclusion of US Savings Bond

By payor of qualified higher education expenses	
<b>Phaseout Amounts for Credit Eligibility</b>	
Married, Filing Jointly	< \$151,600 MAGI
All Others	< \$96,100 MAGI

#### Student Loans

Student Loan Interest	\$2,500
<b>Phaseout Ranges for Student Loan Interest Deduction Eligibility</b>	
Single & Head of Household	\$70,000 - \$85,000 MAGI
Married, Filing Jointly	\$140,000 - \$170,000 MAGI

#### American Opportunity Tax Credit\*

100% of first \$2,000 of education expenses; 25% of expenses between \$2,000 and (maximum credit is \$2,500) per <b>eligible student</b>	
<b>Phaseout Amounts for Credit Eligibility</b>	
Single & Head of Household	\$80,000 - \$90,000 MAGI
Married, Filing Jointly	\$160,000 - \$180,000 MAGI

\*Credit not available if married, filing separately.

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