

'16 Tax

REFERENCE SHEET

The Lafayette Life Insurance Company
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Tax Brackets for 2016

Taxable income (i.e. income minus deductions and exemptions) between:

Married, Joint	
\$0–\$18,550	10%
\$18,551–\$75,300	15%
\$75,301–\$151,900	25%
\$151,901–\$231,450	28%
\$231,451–\$413,350	33%
\$413,351–\$466,950	35%
over \$466,950	39.6%

Single	
\$0–\$9,275	10%
\$9,276–\$37,650	15%
\$37,651–\$91,150	25%
\$91,151–\$190,150	28%
\$190,151–\$413,350	33%
\$413,351–\$415,050	35%
over \$415,050	39.6%

Married, Separate	
\$0–\$9,275	10%
\$9,276–\$37,650	15%
\$37,651–\$75,950	25%
\$75,951–\$115,725	28%
\$115,726–\$206,675	33%
\$206,676–\$233,475	35%
over \$233,475	39.6%

Head of Household	
\$0–\$13,250	10%
\$13,251–\$50,400	15%
\$50,401–\$130,150	25%
\$130,151–\$210,800	28%
\$210,801–\$413,350	33%
\$413,351–\$441,000	35%
over \$441,000	39.6%

Estates and Trusts	
\$0–\$2,550	15%
\$2,551–\$5,950	25%
\$5,951–\$9,050	28%
\$9,051–\$12,400	33%
over \$12,400	39.6%

Corporations	
\$0–\$50,000	15%
\$50,001–\$75,000	25%
\$75,001–\$100,000	34%
\$100,001–\$335,000	39%
\$335,001–\$18,333,333	34-38%
over \$18,333,333	35%

Standard Deduction

Married, joint	\$12,600
Single	\$6,300
Married, separate	\$6,300
Head of household	\$9,300
Blind or over 65: add \$1,250 if married, \$1,550 if single or head of household	

Itemized Deduction/ Personal Exemption Phaseout Begins

Married, joint	\$311,300
Single	\$259,400
Married, separate	\$155,650
Head of household	\$285,350

Personal Exemption \$4,050

Kiddie Tax Exemption \$2,100

Alternative Minimum Tax Exemption Amount

Married, joint	\$83,800
Single, HOH ³	\$53,900
Married, separate	\$41,900

Long-term Capital Gains and Qualified Dividend Rates

10% and 15% brackets	0%
25%, 28%, 33% and 35% brackets	15%
39.6% bracket	20%
Capital gains on collectibles	28%
Unrecaptured 1250 depreciation	25%

IRA & Pension Plan Limits

IRA contribution	
Under age 50	\$5,500
Age 50 and over	\$6,500

Phaseout for deducting IRA contribution	
Married, joint	\$98,000–\$118,000 AGI
Single, HOH ³	\$61,000–\$71,000 AGI
Married, separate	\$0–\$10,000 AGI
Phaseout for deducting spousal IRA	
	\$184,000–\$194,000 AGI

Phaseout of Roth contribution eligibility	
Married, joint	\$184,000–\$194,000 MAGI
Single, HOH ³	\$117,000–\$132,000 MAGI
Married, separate	\$0–\$10,000 MAGI

SEP contribution	
Up to 25% of compensation, limit	\$53,000

Compensation to participate in SEP	\$600
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SIMPLE elective deferral	
Under age 50	\$12,500
Age 50 and over	\$15,500

401(k), 403(b) ⁴ , 457 and SARSEP elective deferral under age 50	\$18,000
401(k), 403(b) ⁴ , 457 ⁵ and SARSEP elective deferral age 50 and over	\$24,000

Annual defined contribution limit	\$53,000
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Annual defined benefit limit	\$210,000
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Highly compensated employee	\$120,000
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Key Employee in top heavy plans	\$170,000
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Annual compensation taken into account for qualified plans	\$265,000
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Retirement Tax Credit: A percent tax credit for an IRA, 401(k), 403(b) or 457 plan contribution, in addition to deduction or exclusion, if

Married, joint	Below \$61,500 MAGI
Head of household	Below \$46,125 MAGI
Single; Married, separate	Below \$30,750 MAGI

Gift and Estate Tax

Gift tax annual exclusion	\$14,000
Estate and gift tax rate	40%
Estate tax exemption	\$5,450,000
Lifetime gift exemption	\$5,450,000
GST exemption	\$5,450,000
Annual exclusion for gifts to noncitizen spouse	\$148,000

Additional Medicare Tax Where Income Exceeds \$200,000 (\$250,000 married, joint)

Additional tax on excess of earned income ¹	0.9%
Additional tax on Net Investment Income ²	3.8%

Health Care

Eligible Long-Term Care	Deduction Limit
Age 40 or less	\$390
Ages 41 to 50	\$730
Ages 51 to 60	\$1,460
Ages 61 to 70	\$3,900
Ages over 70	\$4,870

Per Diem Limitation for LTC Benefits

\$340

Affordable Care Act: Monthly penalty for failure to maintain minimum essential coverage: One-twelfth of greater of a) flat dollar amount or b) percentage of income.

2014	\$ 95	1.0%
2015	\$325	2.0%
2016	\$695	2.5%

Household maximum is 3 times the flat dollar amount. • Income is household income reduced by standard deductions and personal exemptions.

- Total Employee Medicare Tax is 1.45% + 0.9% = 2.35%
- Including interest, dividends, capital gains, and annuity distributions
- Head of Household
- Special increased limit may apply to certain 403(b) contributors with 15 or more years of service.
- In last 3 years prior to year of retirement, 457 plan participant may be able to double elective deferral if needed to catch-up on prior missed contributions, but if they do, they cannot use catch-up.

To discuss how you may benefit from these limits, contact Lafayette Life today!



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LAFAYETTE LIFE INSURANCE COMPANY 2016 TAX REFERENCE SHEET

Education

Coverdell Education Savings Account \$2,000
 Coverdell contribution eligibility phaseout
 Married, joint \$190,000–\$220,000
 All others \$95,000–\$110,000

Student loan interest deduction limit \$2,500
 Interest deduction is phased out
 Married, joint \$130,000–\$160,000 MAGI
 All others \$65,000–\$80,000 MAGI

Phaseout of Lifetime Learning Credits
 Married, joint \$111,000–\$131,000
 All others \$55,000–\$65,000

Tax-free savings bonds interest phased out
 Married, joint \$116,300–\$146,300 MAGI
 All others \$77,550–\$92,550 MAGI

Social Security⁶

Maximum Wage Base \$118,500
 Amount Needed to Earn
 One Credit \$1,260
 Amount Needed to Earn
 Four Credits \$5,040
 Full Retirement Age 66 years, zero months
 Social Security Tax Rates
 Employee 7.65%
 Employer 7.65%
 Self-Employed 15.30%
 Maximum Monthly Retirement
 Benefit at Full Retirement Age \$2,639
 Family Maximum \$3,958
 Cost of Living Adjustment .0%

Maximum earnings (during work years)
 subject to tax \$118,500

Income⁷ (in retirement) causing Social
 Security benefits to be taxable
 Married, joint
 50% taxable \$32,000 MAGI
 85% taxable \$44,000 MAGI
 Single
 50% taxable \$25,000 MAGI
 85% taxable \$34,000 MAGI

Loss of Social Security retirement benefits:
 In years prior to full retirement age, \$1 in
 benefits will be lost for every \$2 of earnings in
 excess of \$15,720. In the year of full retirement
 age, \$1 in benefits will be lost for every \$3 of
 earnings in excess of \$41,880 (applies only to
 months of earnings prior to full retirement age).
 There is no limit on earnings beginning the
 month an individual attains full retirement age.

Average Monthly Benefit (December 2014)

Average Monthly
 Retirement Benefit Men \$1,488
 Women \$1,167

Average Monthly
 Survivor Benefit Men \$1,114
 Women \$1,280

Source: *Fast Facts and Figures
 about Social Security, 2015.*

6. Source: Social Security Administration,
 www.ssa.gov, 10/22/2015.

7. Income is most income including muni bond interest
 but only 1/2 of Social Security.

Uniform Lifetime Table

Use to calculate Minimum Required Distribu-
 tions from IRAs and qualified plans **during**
 owner's life. If owner has spousal beneficiary
 more than 10 years younger, use instead Joint
 Life Table from IRS Pub. 590.

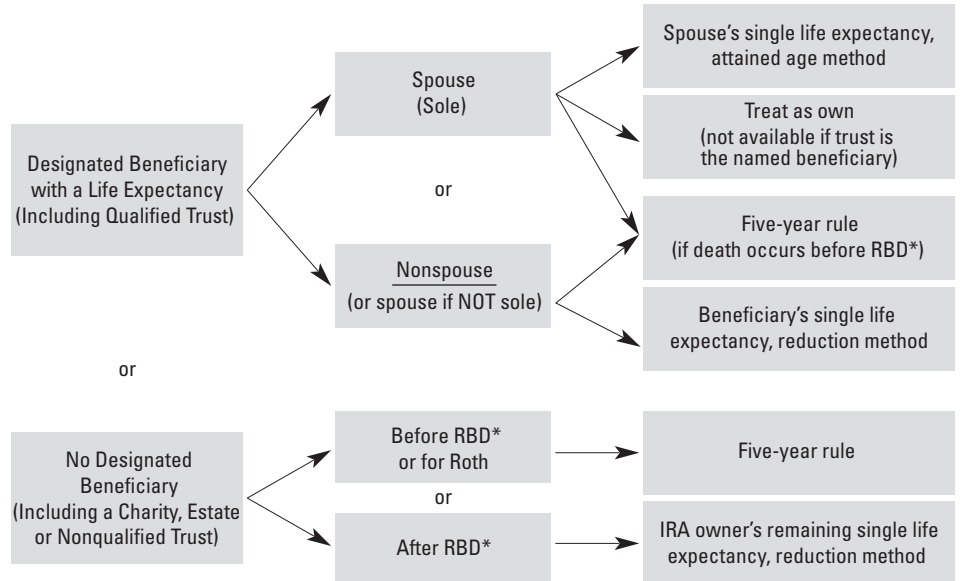
Taxpayer's Age	Life Expectancy	Taxpayer's Age	Life Expectancy
70	27.4	93	9.6
71	26.5	94	9.1
72	25.6	95	8.6
73	24.7	96	8.1
74	23.8	97	7.6
75	22.9	98	7.1
76	22.0	99	6.7
77	21.2	100	6.3
78	20.3	101	5.9
79	19.5	102	5.5
80	18.7	103	5.2
81	17.9	104	4.9
82	17.1	105	4.5
83	16.3	106	4.2
84	15.5	107	3.9
85	14.8	108	3.7
86	14.1	109	3.4
87	13.4	110	3.1
88	12.7	111	2.9
89	12.0	112	2.6
90	11.4	113	2.4
91	10.8	114	2.1
92	10.2	115+	1.9

Single Life Table

Use to calculate Minimum Required Distribu-
 tions from IRAs and qualified plans **after**
 owner's death. See IRS Pub. 590 for complete
 table of ages 0 through 111+.

Age	Life Expectancy	Age	Life Expectancy
39	44.6	63	22.7
40	43.6	64	21.8
41	42.7	65	21.0
42	41.7	66	20.2
43	40.7	67	19.4
44	39.8	68	18.6
45	38.8	69	17.8
46	37.9	70	17.0
47	37.0	71	16.3
48	36.0	72	15.5
49	35.1	73	14.8
50	34.2	74	14.1
51	33.3	75	13.4
52	32.3	76	12.7
53	31.4	77	12.1
54	30.5	78	11.4
55	29.6	79	10.8
56	28.7	80	10.2
57	27.9	81	9.7
58	27.0	82	9.1
59	26.1	83	8.6
60	25.2	84	8.1
61	24.4	85	7.6
62	23.5	86	7.1

IRA Beneficiary Options



*RBD defined as "Required Beginning Date" (April 1 following the year
 a Traditional IRA or Simple IRA holder reached age 70½).

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