



BEACON FINANCIAL



FINANCIAL EDUCATION

KEY RETIREMENT AND TAX NUMBERS FOR 2017

Every year, the Internal Revenue Service announces cost-of-living adjustments that affect contribution limits for retirement plans, thresholds for deductions and credits, and standard deduction and personal exemption amounts. Here are a few of the key adjustments for 2017.

Retirement Plans

- Employees who participate in 401(k), 403(b), and most 457 plans can defer up to \$18,000 in compensation in 2017 (the same as in 2016); employees age 50 and older can defer up to an additional \$6,000 in 2017 (the same as in 2016).
- Employees participating in a SIMPLE retirement plan can defer up to \$12,500 in 2017 (the same as in 2016), and employees age 50 and older will be able to defer up to an additional \$3,000 in 2017 (the same as in 2016).

IRAs

The limit on annual contributions to an IRA remains unchanged at \$5,500 in 2017, with individuals age 50 and older able to contribute an additional \$1,000. For individuals who are covered by a workplace retirement plan, the deduction for contributions to a traditional IRA is phased out for the following modified adjusted gross income (AGI) ranges:

	2016	2017
Single/head of household (HOH)	\$61,000 - \$71,000	\$62,000 - \$72,000
Married filing jointly (MFJ)	\$98,000 - \$118,000	\$99,000 - \$119,000
Married filing separately (MFS)	\$0 - \$10,000	\$0 - \$10,000

Note: The 2017 phaseout range is \$186,000 - \$196,000 (up from \$184,000 - \$194,000 in 2016) when the individual making the IRA contribution is not covered by a workplace retirement plan but is filing jointly with a spouse who is covered.

The modified AGI phaseout ranges for individuals making contributions to a Roth IRA are:

	2016	2017
Single/HOH	\$117,000 - \$132,000	\$118,000 - \$133,000
MFJ	\$184,000 - \$194,000	\$186,000 - \$196,000
MFS	\$0 - \$10,000	\$0 - \$10,000

Estate and Gift Tax

- 📁 The annual gift tax exclusion remains at \$14,000.
- 📁 The gift and estate tax basic exclusion amount for 2017 is \$5,490,000, up from \$5,450,000 in 2016.

Personal Exemption

The personal exemption amount remains at \$4,050. For 2017, personal exemptions begin to phase out once AGI exceeds \$261,500 (single), \$287,650 (HOH), \$313,800 (MFJ), or \$156,900 (MFS).

Note: These same AGI thresholds apply in determining if itemized deductions may be limited. The corresponding 2016 threshold amounts were \$259,400 (single), \$285,350 (HOH), \$311,300 (MFJ), and \$155,650 (MFS).

Standard Deduction

These amounts have been adjusted as follows:

	2016	2017
Single	\$6,300	\$6,350
HOH	\$9,300	\$9,350
MFJ	\$12,600	\$12,700
MFS	\$6,300	\$6,350

Note: The 2016 and 2017 additional standard deduction amount (age 65 or older, or blind) is \$1,550 for single/HOH or \$1,250 for all other filing statuses. Special rules apply if you can be claimed as a dependent by another taxpayer.

Alternative Minimum Tax (AMT)

AMT amounts have been adjusted as follows:

	2016	2017
Maximum AMT exemption amount		
Single/HOH	\$53,900	\$54,300
MFJ	\$83,800	\$84,500
MFS	\$41,900	\$42,250
Exemption phaseout threshold		
Single/HOH	\$119,700	\$120,700
MFJ	\$159,700	\$160,900
MFS	\$79,850	\$80,450
26% on AMTI* up to this amount, 28% on AMTI above this amount		
MFS	\$93,150	\$93,900
All others	\$186,300	\$187,800
*Alternative minimum taxable income		

Beacon Financial

888-610-2239 | info@beacon-financial.com | www.beacon-financial.com

Beacon Financial, LLC does not provide tax or legal advice. None of the information in this article should be considered tax or legal advice. You should consult your tax or legal advisers for information concerning your own specific tax/legal situation. Securities offered through Regulus Advisors, LLC. Member FINRA/SIPC. Investment advisory services offered through Regal Investment Advisors, LLC, an SEC Registered Investment Advisor. Regulus Advisors and Regal Investment Advisors are affiliated entities. Beacon Financial, LLC is independent of Regulus Advisors and Regal Investment Advisors.