



Tax Brackets for 2019

Single

\$0 – \$9,700	10%
\$9,701 – \$39,475	12%
\$39,476 – \$84,200	22%
\$84,201 – \$160,725	24%
\$160,726 – \$204,100	32%
\$204,101 – \$510,300	35%
over \$510,300	37%

Married, Filing Jointly

\$0 – \$19,400	10%
\$19,401 – \$78,950	12%
\$78,951 – \$168,400	22%
\$168,401 – \$321,450	24%
\$321,451 – \$408,200	32%
\$408,201 – \$612,350	35%
over \$612,350	37%

Married, Filing Separately

\$0 – \$9,700	10%
\$9,701 – \$39,475	12%
\$39,476 – \$84,200	22%
\$84,201 – \$160,725	24%
\$160,726 – \$204,100	32%
\$204,101 – \$306,175	35%
over \$306,175	37%

Head of Household

\$0 – \$13,850	10%
\$13,851 – \$52,850	12%
\$52,851 – \$84,200	22%
\$84,201 – \$160,700	24%
\$160,701 – \$204,100	32%
\$204,101 – \$510,300	35%
over \$510,300	37%

Estates and Trusts

\$0 – \$2,600	10%
\$2,601 – \$9,300	24%
\$9,301 – \$12,750	35%
over \$12,750	37%
Corporate Tax Rate	21%

Estate Tax

Transfer Tax rate	40%
Estate Tax Exemption	\$11,400,000
Gift Tax Exemption	\$11,400,000
Generation-skipping transfer Exemption	\$11,400,000
Gift Tax Exclusion	\$15,000

Long-Term Capital Gains/Qualified Dividend Rates

0.0% Rate when Taxable Income is Below:

Married, Filing Jointly	\$78,750
Married, Filing Separately	\$39,375
Head of Household	\$52,750
Single	\$39,375
Estate and Trust	\$2,650

15% Rate when Taxable Income is Below:

Married, Filing Jointly	\$488,850
Married, Filing Separately	\$244,425
Head of Household	\$461,700
Single	\$434,550
Estate and Trust	\$12,950

20% rate applies to higher taxable income amounts.

Standard Deduction

Married, Filing Jointly	\$24,400
Single, Married, Filing Separately	\$12,200
Head of Household	\$18,350

Blind or over 65 add \$1,300 if married; add \$1,650 if single or head of Household

Capital Loss Limit

Married, Filing Jointly	\$3,000
Single	\$3,000
Married, Filing Separately	\$1,500

If your capital loss exceeds your capital gains.

Retirement

IRA and Roth Contributions

Under age 50	\$6,000
Aged 50 and older	\$7,000

Phaseout for deducting IRA Contribution (qualified plan participant)

Married, Filing Jointly	\$103,000 – \$123,000 MAGI
Single or Head of Household	\$64,000 – \$74,000 MAGI
Married, Filing Separately	\$0 – \$10,000 MAGI
Spousal IRA	\$193,000 – \$203,000 MAGI

Phaseout of Roth contribution eligibility

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

Retirement (continued)

SEP Contribution

Up to 25% of compensation limit	\$56,000
To participate in SEP	\$600

SIMPLE Elective Deferral

Under age 50	\$13,000
Aged 50 and over	\$16,000

Qualified Plan Contributions

401(k), 403(b), 457 and SARSEP	\$19,000
Aged 50 and older	\$25,000
Annual benefit limit on defined contribution plans	\$56,000
Annual benefit limit on defined benefit plans	\$225,000
Highly compensated employee makes Annual compensation taken into account for qualified plans	\$125,000 \$280,000

Education

Kiddie Tax earned income is Taxed at single Tax bracket rates

529 Plan Contributions:

Per Individual	\$15,000 per yr. before a gift Tax
per Couple	\$30,000 per yr. before a gift Tax

529 Plan Contributions — Accelerate 5 Years of Gifting into 1 Year:

Per Individual	\$75,000
Per Couple	\$150,000

Lifetime Learning Credits

Phaseout – Married, Filing Jointly	\$116,000 – \$136,000
Phaseout – All Others	\$58,000 – \$68,000

Coverdell Education Savings Account

Contribution	\$2,000
Phaseout – Married, Filing Jointly	\$190,000 – \$220,000
Phaseout – All Others	\$95,000 – \$110,000

Student Loan Interest

Deduction Limit	\$2,500
Phaseout – Married, Filing Jointly	\$140,000 – \$170,000 MAGI
Phaseout – All Others	\$70,000 – \$85,000 MAGI

Phaseout of Tax-free Savings Bonds Interest

Married, Filing Jointly	\$121,600 – \$151,600 MAGI
All Others	\$81,100 – \$96,100 MAGI

Congress' approval of the Tax Cuts and Jobs Act in December 2017 produced some of the most significant changes to the nation's Tax system in decades by reducing individual rates for Taxpayers at several income levels, increasing standard deductions, and cutting the corporate Tax rate. These changes affect income earned in 2018 and Tax returns filed in early 2019. Most of the changes affecting individual Taxpayers would be temporary, Expiring on December 31, 2025; others have no Expiration dates, and Congress could eventually agree to Extend or modify some temporary provisions. In addition, the U.S. Internal Revenue Service has made annual inflation adjustments for 2018 affecting contribution limits relating to savings for education and retirement.

Noteworthy changes in Tax provisions for the 2019 Tax year*

Reduced Tax rates at most income levels

While the Existing seven-bracket structure for individual Tax rates has been retained, the income levels for the brackets have been modified and most individual Tax rates have been cut. The top marginal Tax rate of 39.6% has been reduced to 37.0%, and the income levels at which the new top rate applies have been lifted. Rate reductions for Taxpayers at other income levels are as follows: 33.0% to 32.0%, 28.0% to 24.0%, 25.0% to 22.0%, and 15.0% to 12.0%. Rates for two other brackets—35.0% and 10.0%—remain unchanged; however, the income range for the 35.0% bracket has been widened.

Personal Exemption eliminated

The personal Exemption that had allowed most Households to reduce their Taxable income by \$4,050 per person has been eliminated, partially offsetting the benefit to many Taxpayers from increased standard deductions.

Standard deductions increased

The standard deduction for individual Taxpayers has increased sharply for most Taxpayers, significantly reducing Taxable income. For Example, the standard deduction for married Couples Filing Jointly has increased from \$13,000 to \$24,000; for single filers, from \$6,500 to \$12,000; for heads of Household, from \$9,550 to \$18,350.

Child Tax credit Expanded

The child Tax credit has increased from \$1,000 to \$2,000 for single filers and married Couples. The credit is fully refundable up to \$1,400, and begins to phase out for married Couples earning more than \$400,000.

State and local Tax deductions capped

The deduction for state and local Taxes is capped at a combined \$10,000 for income, sales, and property Taxes.

Required Minimum Distributions

The Uniform Lifetime Table can be used by all IRA owners, at age 70 years, unless their sole beneficiary for the entire year is a spouse who is more than 10 years younger. Then the regular Joint Life Expectancy Table is used (see IRS Pub. 590), which could reduce the required minimum distribution even further.

Uniform Lifetime Table

Age of Account Owner	Divisor	Age of Account Owner	Divisor
70	27.4	81	17.9
71	26.5	82	17.1
72	25.6	83	16.3
73	24.7	84	15.5
74	23.8	85	14.8
75	22.9	86	14.1
76	22.0	87	13.4
77	21.2	88	12.7
78	20.3	89	12.0
79	19.5	90	11.4
80	18.7		

*U.S. Internal Revenue Service, 2018.

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