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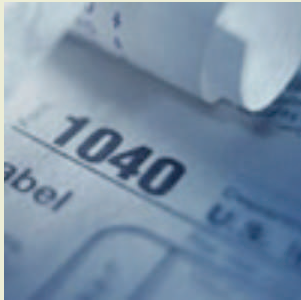
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# 2015 Key Numbers





## Individual Income Tax Planning

### Adoption credit

Adoption credit	2014	2015
Maximum credit	\$13,190	\$13,400
Phaseout threshold amount	\$197,880	\$201,010
Completed phaseout amount after	\$237,880	\$241,010

### Alternative Minimum Tax (AMT)

Maximum AMT exemption amount	2014	2015
Married filing jointly or surviving spouse	\$82,100	\$83,400
Single or head of household	\$52,800	\$53,600
Married filing separately	\$41,050	\$41,700

AMT income exemption phaseout threshold	2014	2015
Married filing jointly or surviving spouse	\$156,500	\$158,900
Single or head of household	\$117,300	\$119,200
Married filing separately	\$78,250	\$79,450

AMT tax rate (26% rate applies to AMTI at or below amount; 28% applies to AMTI above amount)	2014	2015
All taxpayers except married filing separately	\$182,500	\$185,400
Married filing separately	\$91,250	\$92,700

### Charitable deductions

Use of auto	2014	2015
Deductible standard mileage rate	\$0.14	\$0.14

Charitable fundraising "insubstantial benefit" limitation	2014	2015
Low-cost article (re: unrelated business income)	\$10.40	\$10.50

<b>Gifts to donor in return for contribution</b>	<b>2014</b>	<b>2015</b>
Token gift maximum cost <sup>1</sup>	\$10.40	\$10.50
Minimum contribution amount <sup>1</sup>	\$52.00	\$52.50
2% threshold amount <sup>2</sup>	\$104	\$105

<sup>1</sup> Contribution is fully deductible if minimum contribution amount is met and cost of token gift does not exceed maximum

<sup>2</sup> Charitable contribution is fully deductible if the benefit received by the donor doesn't exceed the lesser of the threshold amount or 2% of the amount of the contribution

### Child tax credit

<b>Amount of credit</b>	<b>2014</b>	<b>2015</b>
Maximum credit per qualifying child	\$1,000	\$1,000

<b>Phaseout -- credit reduced by \$50 for each \$1,000 or fraction thereof of MAGI over:</b>	<b>2014</b>	<b>2015</b>
Single	\$75,000	\$75,000
Married Filing Jointly	\$110,000	\$110,000
Married Filing Separately	\$55,000	\$55,000

<b>Refundability -- up to specified percentage of earned income in excess of specified amount</b>	<b>2014</b>	<b>2015</b>
Percentage	15%	15%
Amount	\$3,000	\$3,000

### Classroom expenses of elementary and secondary school teachers

<b>Classroom expense deduction</b>	<b>2014</b>	<b>2015</b>
Maximum above-the-line deduction	N/A	N/A

### Earned income tax credit (EITC)

<b>Investment income limit</b>	<b>2014</b>	<b>2015</b>
Excessive investment income limit ("disqualified income limit")	\$3,350	\$3,400

Maximum amount of EITC per number of children	2014	2015
0 children	\$496	\$503
1 child	\$3,305	\$3,359
2 children	\$5,460	\$5,548
3 or more children	\$6,143	\$6,242

Maximum amount of earned income on which EITC is based (earned income over this amount but under the threshold phaseout amount will not change the amount of the credit received)	2014	2015
0 children	\$6,480	\$6,580
1 child	\$9,720	\$9,880
2 or more children	\$13,650	\$13,870

Threshold phaseout amount for joint filers per number of children	2014	2015
0 children	\$13,540	\$13,750
1 child	\$23,260	\$23,630
2 children	\$23,260	\$23,630
3 or more children	\$23,260	\$23,630

Threshold phaseout amount for other filers per number of children	2014	2015
0 children	\$8,110	\$8,240
1 child	\$17,830	\$18,110
2 children	\$17,830	\$18,110
3 or more children	\$17,830	\$18,110

Completed phaseout amount for joint filers per number of children	2014	2015
0 children	\$20,020	\$20,330
1 child	\$43,941	\$44,651
2 children	\$49,186	\$49,974
3 or more children	\$52,427	\$53,267

Completed phaseout amount for other filers per number of children	2014	2015
0 children	\$14,590	\$14,820
1 child	\$38,511	\$39,131
2 children	\$43,756	\$44,454
3 or more children	\$46,997	\$47,747

## Expatriation

Covered expatriate	2014	2015
An individual with "average annual net income tax" of more than this amount for the five taxable years ending before his or her loss of citizenship is a covered expatriate for the purposes of IRC §877A(g)(1)	\$157,000	\$160,000
IRC §877A(3) exclusion amount	\$680,000	\$690,000

## Foreign earned income

Amount excluded from income	2014	2015
Exclusion amount	\$99,200	\$100,800

## Itemized deductions

Phaseout threshold	2014	2015
Married filing jointly	\$305,050	\$309,900
Head of household	\$279,650	\$284,050
Unmarried	\$254,200	\$258,250
Married filing separately	\$152,525	\$154,950

## Kiddie tax

Unearned income limit	2014	2015
Amount exempt from tax	\$1,000	\$1,050
Additional amount taxed at child's rate	\$1,000	\$1,050
Unearned income over this amount taxed at parent's rate	\$2,000	\$2,100

Parent's election	2014	2015
Election to include child's income on parent's return -- child's gross income requirement	\$1,000 - \$10,000	\$1,050 - \$10,500

AMT	2014	2015
AMT exemption for child subject to kiddie tax	Lesser of \$7,250 + child's earned income or \$52,800	Lesser of \$7,400 + child's earned income or \$53,600

### Medicare tax (additional payroll tax and unearned income contribution tax)

Payroll tax	2014	2015
Additional Medicare payroll tax (and self-employment tax) percentage rate	0.90%	0.90%

Applies to wages/self-employment income exceeding	2014	2015
Individuals	\$200,000	\$200,000
Married filing jointly	\$250,000	\$250,000
Married filing separately	\$125,000	\$125,000

Tax on unearned income	2014	2015
Unearned income Medicare contribution tax rate	3.80%	3.80%

Applies to lesser of (a) net investment income or (b) modified adjusted gross income exceeding	2014	2015
Individuals	\$200,000	\$200,000
Married filing jointly	\$250,000	\$250,000
Married filing separately	\$125,000	\$125,000

### Nanny tax

Compensation threshold	2014	2015
Domestic employee coverage threshold	\$1,900	\$1,900

## Personal exemption amount

Amount	2014	2015
Personal exemption amount	\$3,950	\$4,000

Married filing jointly	2014	2015
Phaseout threshold amount	\$305,050	\$309,900
Completed phaseout amount after	\$427,550	\$432,400

Head of household	2014	2015
Phaseout threshold amount	\$279,650	\$284,050
Completed phaseout amount after	\$402,150	\$406,550

Unmarried	2014	2015
Phaseout threshold amount	\$254,200	\$258,250
Completed phaseout amount after	\$376,700	\$380,750

Married filing separately	2014	2015
Phaseout threshold amount	\$152,525	\$154,950
Completed phaseout amount after	\$213,775	\$216,200

## "Saver's Credit"

Elective Deferrals and IRA Contributions by Certain Individuals	2014	2015
Maximum credit amount	\$1,000	\$1,000

Applicable percentage of 50% applies to AGI	2014	2015
Joint Return	\$0 - \$36,000	\$0 - \$36,500
Head of Household	\$0 - \$27,000	\$0 - \$27,375
Other	\$0 - \$18,000	\$0 - \$18,250

Applicable percentage of 20% applies to AGI	2014	2015
Joint Return	\$36,001 - \$39,000	\$36,501 - \$39,500
Head of Household	\$27,001 - \$29,250	\$27,376 - \$29,625
Other	\$18,001 - \$19,500	\$18,251 - \$19,750



Applicable percentage of 10% applies to AGI	2014	2015
Joint Return	\$39,001 - \$60,000	\$39,501 - \$61,000
Head of Household	\$29,251 - \$45,000	\$29,626 - \$45,750
Other	\$19,501 - \$30,000	\$19,751 - \$30,500

Applicable percentage of 0% applies to AGI	2014	2015
Joint Return	Over \$60,000	Over \$61,000
Head of Household	Over \$45,000	Over \$45,750
Other	Over \$30,000	Over \$30,500

### Standard deductions

Amounts	2014	2015
Married filing jointly or surviving spouse	\$12,400	\$12,600
Head of household	\$9,100	\$9,250
Unmarried	\$6,200	\$6,300
Married filing separately	\$6,200	\$6,300
Dependent	Greater of \$1,000, or \$350 + earned income	Greater of \$1,050 or \$350 + earned income
Additional deduction for aged or blind (single or head of household)	\$1,550	\$1,550
Additional deduction for aged or blind (all other filing statuses)	\$1,200	\$1,250

### Standard mileage rates

Applicable rates	2014	2015
Use of auto for business purposes (cents per mile)	\$0.56	Not yet available
Use of auto for medical purposes (cents per mile)	\$0.235	Not yet available
Use of auto for moving purposes (cents per mile)	\$0.235	Not yet available



## 2015 Federal Income Tax Rate Schedules (Individuals, Trusts, and Estates)

### Single taxpayers

If taxable income is:	Your tax is:
Not over \$9,225	10% of taxable income
Over \$9,225 to \$37,450	\$922.50 + 15% of the excess over \$9,225
Over \$37,450 to \$90,750	\$5,156.25 + 25% of the excess over \$37,450
Over \$90,750 to \$189,300	\$18,481.25 + 28% of the excess over \$90,750
Over \$189,300 to \$411,500	\$46,075.25 + 33% of the excess over \$189,300
Over \$411,500 to \$413,200	\$119,401.25 + 35% of the excess over \$411,500
Over \$413,200	\$119,996.25 + 39.6% of the excess over \$413,200

### Married filing jointly and surviving spouses

If taxable income is:	Your tax is:
Not over \$18,450	10% of taxable income
Over \$18,450 to \$74,900	\$1,845 + 15% of the excess over \$18,450
Over \$74,900 to \$151,200	\$10,312.50 + 25% of the excess over \$74,900
Over \$151,200 to \$230,450	\$29,387.50 + 28% of the excess over \$151,200
Over \$230,450 to \$411,500	\$51,577.50 + 33% of the excess over \$230,450
Over \$411,500 to \$464,850	\$111,324 + 35% of the excess over \$411,500
Over \$464,850	\$129,996.50 + 39.6% of the excess over \$464,850

### Married individuals filing separately

If taxable income is:	Your tax is:
Not over \$9,225	10% of taxable income
Over \$9,225 to \$37,450	\$922.50 + 15% of the excess over \$9,225
Over \$37,450 to \$75,600	\$5,156.25 + 25% of the excess over \$37,450
Over \$75,600 to \$115,225	\$14,693.75 + 28% of the excess over \$75,600
Over \$115,225 to \$205,750	\$25,788.75 + 33% of the excess over \$115,225
Over \$205,750 to \$232,425	\$55,662 + 35% of the excess over \$205,750
Over \$232,425	\$64,989.25 + 39.6% of the excess over \$232,425

## Heads of household

If taxable income is:	Your tax is:
Not over \$13,150	10% of taxable income
Over \$13,150 to \$50,200	\$1,315 + 15% of the excess over \$13,150
Over \$50,200 to \$129,600	\$6,872.50 + 25% of the excess over \$50,200
Over \$129,600 to \$209,850	\$26,722.50 + 28% of the excess over \$129,600
Over \$209,850 to \$411,500	\$49,192.50 + 33% of the excess over \$209,850
Over \$411,500 to \$439,000	\$115,737 + 35% of the excess over \$411,500
Over \$439,000	\$125,362 + 39.6% of the excess over \$439,000

## Trusts and estates

If taxable income is:	Your tax is:
Not over \$2,500	15% of taxable income
Over \$2,500 to \$5,900	\$375 + 25% of the excess over \$2,500
Over \$5,900 to \$9,050	\$1,225 + 28% of the excess over \$5,900
Over \$9,050 to \$12,300	\$2,107 + 33% of the excess over \$9,050
Over \$12,300	\$3,179.50 + 39.6% of the excess over \$12,300



## 2014 Federal Income Tax Rate Schedules (Individuals, Trusts, and Estates)

### Single taxpayers

If taxable income is:	Your tax is:
Not over \$9,075	10% of taxable income
Over \$9,075 to \$36,900	\$907.50 + 15% of the excess over \$9,075
Over \$36,900 to \$89,350	\$5,081.25 + 25% of the excess over \$36,900
Over \$89,350 to \$186,350	\$18,193.75 + 28% of the excess over \$89,350
Over \$186,350 to \$405,100	\$45,353.75 + 33% of the excess over \$186,350
Over \$405,100 to \$406,750	\$117,541.25 + 35% of the excess over \$405,100
Over \$406,750	\$118,118.75 + 39.6% of the excess over \$406,750

## Married filing jointly and surviving spouses

If taxable income is:	Your tax is:
Not over \$18,150	10% of taxable income
Over \$18,150 to \$73,800	\$1,815 + 15% of the excess over \$18,150
Over \$73,800 to \$148,850	\$10,162.50 + 25% of the excess over \$73,800
Over \$148,850 to \$226,850	\$28,925 + 28% of the excess over \$148,850
Over \$226,850 to \$405,100	\$50,765 + 33% of the excess over \$226,850
Over \$405,100 to \$457,600	\$109,587.50 + 35% of the excess over \$405,100
Over \$457,600	\$127,962.50 + 39.6% of the excess over \$457,600

## Married individuals filing separately

If taxable income is:	Your tax is:
Not over \$9,075	10% of taxable income
Over \$9,075 to \$36,900	\$907.50 + 15% of the excess over \$9,075
Over \$36,900 to \$74,425	\$5,081.25 + 25% of the excess over \$36,900
Over \$74,425 to \$113,425	\$14,462.50 + 28% of the excess over \$74,425
Over \$113,425 to \$202,550	\$25,382.50 + 33% of the excess over \$113,425
Over \$202,550 to \$228,800	\$54,793.75 + 35% of the excess over \$202,550
Over \$228,800	\$63,981.25 + 39.6% of the excess over \$228,800

## Heads of household

If taxable income is:	Your tax is:
Not over \$12,950	10% of taxable income
Over \$12,950 to \$49,400	\$1,295 + 15% of the excess over \$12,950
Over \$49,400 to \$127,550	\$6,762.50 + 25% of the excess over \$49,400
Over \$127,550 to \$206,600	\$26,300 + 28% of the excess over \$127,550
Over \$206,600 to \$405,100	\$48,434 + 33% of the excess over \$206,600
Over \$405,100 to \$432,200	\$113,939 + 35% of the excess over \$405,100
Over \$432,200	\$123,424 + 39.6% of the excess over \$432,200

## Trusts and estates

If taxable income is:	Your tax is:
Not over \$2,500	15% of taxable income
Over \$2,500 to \$5,800	\$375 + 25% of the excess over \$2,500
Over \$5,800 to \$8,900	\$1,200 + 28% of the excess over \$5,800
Over \$8,900 to \$12,150	\$2,068 + 33% of the excess over \$8,900
Over \$12,150	\$3,140.50 + 39.6% of the excess over \$12,150



## Business Planning

### Adoption Assistance Programs

Adoption assistance	2014	2015
Maximum amount that can be excluded from employee's gross income	\$13,190	\$13,400
Phaseout threshold amount	\$197,880	\$201,010
Completed phaseout amount after	\$237,880	\$241,010

### Earnings subject to FICA taxes (taxable wage base)

FICA tax	2014	2015
Maximum annual earnings subject to Social Security taxes	\$117,000	\$118,500
Social Security and Medicare combined tax rate	15.30% <sup>1</sup>	15.30% <sup>1</sup>
OASDI portion (Social Security)	12.40%	12.40%
Hospital Insurance portion (Medicare)	2.90% <sup>1</sup>	2.90% <sup>1</sup>

<sup>1</sup> An additional Medicare (HI) employee contribution rate of 0.9% (for a total employee contribution of 2.35%, and a total combined Medicare contribution rate of 3.8%) is assessed on wages exceeding \$200,000 (\$250,000 for married couples filing joint returns, \$125,000 for married individuals filing separate returns). For married individuals filing joint returns, the additional 0.9% tax applies to the couples combined wages (to the extent the combined wages exceed \$250,000).

### Health insurance deduction for self-employed

Health insurance premiums	2014	2015
Deduction for health insurance premiums paid by self-employed persons	100%	100%

### Qualified transportation fringe benefits

Qualified transportation fringe benefits	2014	2015
Commuter vehicles and transit pass monthly exclusion amount	\$130	\$130
Qualified parking monthly exclusion amount	\$250	\$250
Qualified bicycle commuting reimbursement fringe benefit (monthly amount)	\$20	\$20

## Section 179 expensing

Section 179 expensing	2014	2015
Maximum amount that may be deducted under IRC Section 179	\$25,000	\$25,000
Deduction reduced by the amount by which the cost of §179 property placed in service during the year exceeds this amount	\$200,000	\$200,000

## Small business tax credit for providing health-care coverage

Amount of credit	2014	2015
Maximum credit percentage	50%	50%

Partial credit	2014	2015
Number of full-time equivalent employees (FTEs) fewer than:	25	25
Maximum average annual wages less than:	\$50,800	\$51,600

Full credit	2014	2015
Number of full-time equivalent employees (FTEs) no more than:	10	10
Maximum average annual wages less than or equal to:	\$25,400	\$25,800

## Special additional first-year depreciation allowance

Bonus depreciation	2014	2015
"Bonus" depreciation for qualified property acquired and placed in service during specified time periods	N/A	N/A

## Standard mileage rate (per mile)

Business use of auto	2014	2015
Use of auto for business purposes	\$0.565	Not yet available

## Tax on accumulated earnings and personal holding company income

Accumulated earnings and personal holding company income	2014	2015
Maximum tax on these items	20%	20%



## Education Planning

### Coverdell education savings accounts (formerly known as education IRAs)

Coverdell ESAs	2014	2015
Annual contribution limit	\$2,000	\$2,000

MAGI phaseout range for Coverdell education savings accounts	2014	2015
Single--phaseout threshold amount	\$95,000	\$95,000
Single--completed phaseout amount after	\$110,000	\$110,000
Married filing jointly--phaseout threshold amount	\$190,000	\$190,000
Married filing jointly--completed phaseout threshold amount	\$220,000	\$220,000

### Deduction for qualified higher education expenses

Higher education expenses	2014	2015
Maximum deduction	N/A	N/A

MAGI maximum for full \$4,000 deduction	2014	2015
Single	N/A	N/A
Married filing jointly	N/A	N/A

Reduced deduction	2014	2015
Reduced deduction available	N/A	N/A

MAGI range for \$2,000 deduction	2014	2015
Single--MAGI greater than this amount:	N/A	N/A
Single--MAGI does not exceed this amount:	N/A	N/A

Married filing jointly--MAGI greater than this amount:	N/A	N/A
Married filing jointly--MAGI does not exceed this amount:	N/A	N/A

### Education loans--interest deduction

Education loan interest deduction	2014	2015
Maximum deduction for interest paid on qualified education loans	\$2,500	\$2,500

MAGI phaseout range	2014	2015
Single--phaseout threshold amount	\$65,000	\$65,000
Single--completed phaseout amount after	\$80,000	\$80,000
Married filing jointly--phaseout threshold amount	\$130,000	\$130,000
Married filing jointly--completed phaseout amount after	\$160,000	\$160,000

### Gift tax exclusion

Gift tax	2014	2015
Annual gift tax exclusion--single individual	\$14,000	\$14,000
Annual gift tax exclusion--joint gift	\$28,000	\$28,000
Lump-sum gift to 529 plan--single individual	\$70,000	\$70,000
Lump-sum gift to 529 plan--joint gift	\$140,000	\$140,000

### Kiddie tax

Kiddie tax	2014	2015
Generally, children pay federal income tax at their parents' rate on any investment income over	\$2,000	\$2,100



## American Opportunity<sup>1</sup> and Lifetime Learning Credits

Education credits	2014	2015
Maximum Lifetime Learning credit	\$2,000	\$2,000
Maximum American Opportunity credit	\$2,500	\$2,500

<sup>1</sup> For 2010 through 2017, the Hope credit is renamed the American Opportunity tax credit

MAGI phaseout range for Lifetime Learning credit	2014	2015
Single--phaseout threshold amount	\$54,000	\$55,000
Single--completed phaseout amount after	\$64,000	\$65,000
Married filing jointly--phaseout threshold amount	\$108,000	\$110,000
Married filing jointly--completed phaseout amount after	\$128,000	\$130,000

MAGI phaseout range for American Opportunity credit	2014	2015
Single--phaseout threshold amount	\$80,000	\$80,000
Single--completed phaseout amount after	\$90,000	\$90,000
Married filing jointly--phaseout threshold amount	\$160,000	\$160,000
Married filing jointly--completed phaseout amount after	\$180,000	\$180,000

## U.S. savings bonds--interest exclusion for higher education expenses

Joint returns	2014	2015
Phaseout threshold for joint returns	\$113,950	\$115,750
Completed phaseout amount after	\$143,950	\$145,750

Other returns	2014	2015
Phaseout threshold for other returns	\$76,000	\$77,200
Completed phaseout amount after	\$91,000	\$92,200



## Protection Planning

### Eligible long-term care premium deduction limits:

LTC premium deduction limits	2014	2015
Age 40 or under	\$370	\$380
Age 41-50	\$700	\$710
Age 51-60	\$1,400	\$1,430
Age 61-70	\$3,720	\$3,800
Over age 70	\$4,660	\$4,750

### Per diem limit:

LTC periodic payments	2014	2015
Periodic payments for qualified long-term care insurance/certain life insurance	\$330	\$330

### Archer Medical Savings Accounts

High deductible health plan--self-only coverage	2014	2015
Annual deductible--minimum	\$2,200	\$2,200
Annual deductible--maximum	\$3,250	\$3,300
Annual out-of-pocket expenses required to be paid (other than for premiums) can't exceed	\$4,350	\$4,450

High deductible health plan--family coverage	2014	2015
Annual deductible--minimum	\$4,350	\$4,450
Annual deductible--maximum	\$6,550	\$6,650
Annual out-of-pocket expenses required to be paid (other than for premiums) can't exceed	\$8,000	\$8,150

## Flexible spending account (FSA) for health care

Health care FSAs	2014	2015
Maximum salary reduction contribution	\$2,500	\$2,550

## Health Savings Accounts (HSAs)

Annual contribution limit	2014	2015
Self-only coverage	\$3,300	\$3,350
Family coverage	\$6,550	\$6,650

High deductible health plan--self-only coverage	2014	2015
Annual deductible--minimum	\$1,250	\$1,300
Annual out-of-pocket expenses required to be paid (other than for premiums) can't exceed	\$6,350	\$6,450

High deductible health plan--family coverage	2014	2015
Annual deductible--minimum	\$2,500	\$2,600
Annual out-of-pocket expenses required to be paid (other than for premiums) can't exceed	\$12,700	\$12,900

Catch-up contributions	2014	2015
Annual catch-up contribution limit for individuals age 55 or older	\$1,000	\$1,000



## Estate Planning

Key indexed figures	2014	2015
Annual gift exclusion:	\$14,000	\$14,000
Gift and estate tax applicable exclusion amount:	\$5,340,000 + DSUEA <sup>1</sup>	\$5,430,000 + DSUEA <sup>1</sup>
Noncitizen spouse annual gift exclusion:	\$145,000	\$147,000
Generation-skipping transfer (GST) tax exemption:	\$5,340,000 <sup>2</sup>	\$5,430,000 <sup>2</sup>
Special use valuation limit (qualified real property in decedent's gross estate):	\$1,090,000	\$1,100,000

<sup>1</sup> Basic exclusion amount plus deceased spousal unused exclusion amount (exclusion is portable for 2011 and later years)

<sup>2</sup> The GST tax exemption is not portable

### 2014 and 2015 gift and estate tax rate schedule

Taxable Estate	Tentative Tax Equals	Plus	Of Amount Over
0 - \$10,000	\$0	18%	\$0
\$10,000 - \$20,000	\$1,800	20%	\$10,000
\$20,000 - \$40,000	\$3,800	22%	\$20,000
\$40,000 - \$60,000	\$8,200	24%	\$40,000
\$60,000 - \$80,000	\$13,000	26%	\$60,000
\$80,000 - \$100,000	\$18,200	28%	\$80,000
\$100,000 - \$150,000	\$23,800	30%	\$100,000
\$150,000 - \$250,000	\$38,800	32%	\$150,000
\$250,000 - \$500,000	\$70,800	34%	\$250,000
\$500,000 - \$750,000	\$155,800	37%	\$500,000
\$750,000 - \$1,000,000	\$248,300	39%	\$750,000
\$1,000,000 +	\$345,800	40%	\$1,000,000
<b>Credit shelter amount \$5,340,000 in 2014, \$5,430,000 in 2015</b>	<b>Unified credit amount \$2,081,800 in 2014, \$2,117,800 in 2015</b>		



## Government Benefits

### Social Security

Social Security Cost-of-living adjustment (COLA)	2014	2015
For Social Security and Supplemental Security Income (SSI) beneficiaries	1.50%	1.70%

Tax rate--employee	2014	2015
FICA tax -- Employee	7.65%	7.65%
Social Security (OASDI) portion of tax	6.20%	6.20%
Medicare (HI) portion of tax	1.45% <sup>1</sup>	1.45% <sup>1</sup>

Tax rate--self-employed	2014	2015
Self-Employed	15.30%	15.30%
Social Security (OASDI) portion of tax	12.40%	12.40%
Medicare (HI) portion of tax	2.90% <sup>1</sup>	2.90% <sup>1</sup>

<sup>1</sup> An additional 0.9% Medicare/hospital insurance tax (for a total employee contribution of 2.35%) is assessed on wages exceeding \$200,000 (\$250,000 for married couples filing joint returns, \$125,000 for married individuals filing separate returns). An additional 0.9% Medicare/hospital insurance tax (for a total Medicare portion of 3.8%) is assessed on self-employment income exceeding \$200,000 (\$250,000 for married couples filing joint returns, \$125,000 for married individuals filing separate returns).

Maximum taxable earnings	2014	2015
Social Security (OASDI only)	\$117,000	\$118,500
Medicare (HI only)	No limit	No limit

Quarter of coverage	2014	2015
Earnings required	\$1,200	\$1,220

Retirement earnings test--exempt amounts--Under full retirement age--Benefits reduced by \$1 for each \$2 earned above:	2014	2015
Yearly figure	\$15,480	\$15,720
Monthly figure	\$1,290	\$1,310

<b>Retirement earnings test--exempt amounts--Year individual reaches full retirement age--Benefits reduced by \$1 for each \$3 earned above (applies only to earnings for months prior to attaining full retirement age):</b>	<b>2014</b>	<b>2015</b>
Yearly figure	\$41,400	\$41,880
Monthly figure	\$3,450	\$3,490

<b>Retirement earnings test--exempt amounts--Beginning the month individual attains full retirement age</b>	<b>2014</b>	<b>2015</b>
	No limit on earnings	No limit on earnings

<b>Social Security disability thresholds</b>	<b>2014</b>	<b>2015</b>
Substantial gainful activity (SGA) for the sighted (monthly figure)	\$1,070	\$1,090
Substantial gainful activity for the blind (monthly figure)	\$1,800	\$1,820
Trial work period (TWP) (monthly figure)	\$770	\$780

<b>SSI federal payment standard</b>	<b>2014</b>	<b>2015</b>
Individual (monthly figure)	\$721	\$733
Couple (monthly figure)	\$1,082	\$1,100

<b>SSI resource limits</b>	<b>2014</b>	<b>2015</b>
Individual	\$2,000	\$2,000
Couple	\$3,000	\$3,000

<b>SSI student exclusion limits</b>	<b>2014</b>	<b>2015</b>
Monthly limit	\$1,750	\$1,780
Annual limit	\$7,060	\$7,180

<b>Maximum Social Security benefit</b>	<b>2014</b>	<b>2015</b>
Worker retiring at full retirement age (monthly figure)	\$2,642	\$2,663

<b>Formula for Monthly Primary Insurance Amount (PIA)</b>	<b>2014</b>	<b>2015</b>
(90% of first X of AIME + 32% of the AIME over X and through Y + 15% of AIME over Y)	X=\$816 Y=\$4,917	X=\$826 Y=\$4,980

## Medicare

<b>Medicare monthly premium amounts--Part A (hospital insurance) premium</b>	<b>2014</b>	<b>2015</b>
Individuals with 40 or more quarters of Medicare-covered employment	\$0	\$0
Individuals with less than 40 quarters of Medicare-covered employment who are not otherwise eligible for premium-free hospital insurance	Up to \$426	Up to \$407

<b>Medicare monthly premium amounts--Part B (medical insurance) monthly premium--for beneficiaries who file an individual income tax return with income that is:</b>	<b>2014</b>	<b>2015</b>
Less than or equal to \$85,000	\$104.90	\$104.90
\$85,001 - \$107,000	\$146.90	\$146.90
\$107,001 - \$160,000	\$209.80	\$209.80
\$160,001 - \$214,000	\$272.70	\$272.70
Greater than \$214,000	\$335.70	\$335.70

<b>Medicare monthly premium amounts--Part B (medical insurance) monthly premium--for beneficiaries who file a joint income tax return with income that is:</b>	<b>2014</b>	<b>2015</b>
Less than or equal to \$170,000	\$104.90	\$104.90
\$170,001 - \$214,000	\$146.90	\$146.90
\$214,001 - \$320,000	\$209.80	\$209.80
\$320,001 - \$428,000	\$272.70	\$272.70
Greater than \$428,000	\$335.70	\$335.70

<b>Medicare monthly premium amounts--Part B (medical insurance) monthly premium--for beneficiaries who are married, but file a separate tax return from their spouse and lived with spouse at some time during the taxable year with income that is:</b>	<b>2014</b>	<b>2015</b>
Less than or equal to \$85,000	\$104.90	\$104.90
\$85,001 - \$129,000	\$272.70	\$272.70
Greater than \$129,000	\$335.70	\$335.70

<b>Original Medicare plan deductible and coinsurance amounts--Part A (hospital insurance)</b>	<b>2014</b>	<b>2015</b>
Deductible per benefit period	\$1,216	\$1,260
Coinsurance per day for 61st to 90th day of each benefit period	\$304	\$315
Coinsurance per day for 91st to 150th day for each lifetime reserve day (total of 60 lifetime reserve days--nonrenewable)	\$608	\$630

<b>Original Medicare plan deductible and coinsurance amounts</b>	<b>2014</b>	<b>2015</b>
Skilled nursing facility coinsurance per day for 21st to 100th day of each benefit period	\$152.00	\$157.50

<b>Original Medicare plan deductible and coinsurance amounts--Part B (medical insurance) annual deductible</b>	<b>2014</b>	<b>2015</b>
Individual pays 20 percent of the Medicare-approved amount for services after deductible is met	\$147	\$147

## Medicaid

<b>Income threshold</b>	<b>2014</b>	<b>2015</b>
Monthly income threshold for income-cap states ("300 percent cap limit")	\$2,163	\$2,199



Monthly maintenance needs allowance for at-home spouse	2014	2015
Minimum <sup>2</sup>	\$1,938.75	\$1,966.25
Maximum	\$2,931	Not yet available

Spousal resource allowance	2014	2015
Minimum	\$23,448	Not yet available
Maximum	\$117,240	Not yet available

<sup>2</sup> Amounts listed actually effective as of July of prior year; different amounts apply to Alaska and Hawaii.



## Retirement Planning

### Employee/individual contribution limits

Elective deferral limits	2014	2015
401(k) plans, 403(b) plans, 457(b) plans, and SAR-SEPs <sup>1</sup> (Includes Roth 401(k) and Roth 403(b) contributions)	Lesser of \$17,500 or 100% of participant's compensation	Lesser of \$18,000 or 100% of participant's compensation
SIMPLE 401(k) plans and SIMPLE IRA plans <sup>1</sup>	Lesser of \$12,000 or 100% of participant's compensation	Lesser of \$12,500 or 100% of participant's compensation

<sup>1</sup> Must aggregate employee contributions to all 401(k), 403(b), SAR-SEP, and SIMPLE plans of all employers. 457(b) plan contributions are not aggregated. For SAR-SEPs, the percentage limit is 25% of compensation reduced by elective deferrals (effectively, a 20% maximum contribution).

IRA contribution limits	2014	2015
Traditional IRAs	Lesser of \$5,500 or 100% of earned income	Lesser of \$5,500 or 100% of earned income
Roth IRAs	Lesser of \$5,500 or 100% of earned income	Lesser of \$5,500 or 100% of earned income

Additional "catch-up" limits (individuals age 50 or older)	2014	2015
401(k) plans, 403(b) plans, 457(b) plans, and SAR-SEPs <sup>2</sup>	\$5,500	\$6,000
SIMPLE 401(k) plans and SIMPLE IRA plans	\$2,500	\$3,000
IRAs (traditional and Roth)	\$1,000	\$1,000

<sup>2</sup> Special catch-up limits may also apply to 403(b) and 457(b) plan participants.

## Employer contribution/benefit<sup>3</sup> limits

Defined benefit plan limits	2014	2015
Annual contribution limit per participant	No predetermined limit. Contributions based on amount needed to fund promised benefits	No predetermined limit. Contributions based on amount needed to fund promised benefits
Annual benefit limit per participant	Lesser of \$210,000 or 100% of average compensation for highest three consecutive years	Lesser of \$210,000 or 100% of average compensation for highest three consecutive years

Defined contribution plan limits (qualified plans, 403(b) plans, SEP, and SIMPLE plans)	2014	2015
Annual addition limit per participant ( <i>employer contributions; employee pretax, after-tax, and Roth contributions; and forfeitures</i> ) ( <i>does not apply to SIMPLE IRA plans</i> )	Lesser of \$52,000 or 100% (25% for SEP) of participant's compensation	Lesser of \$53,000 or 100% (25% for SEP) of participant's compensation
Maximum tax-deductible employer contribution ( <i>not applicable to 403(b) plans</i> )	25% of total compensation of employees covered under the plan (20% if self employed) plus any employee pretax and Roth contributions; 100% for SIMPLE plans	25% of total compensation of employees covered under the plan (20% if self employed) plus any employee pretax and Roth contributions; 100% for SIMPLE plans

<sup>3</sup> For self-employed individuals, compensation generally means earned income. This means that, for qualified plans, deductible contributions for a self-employed individual are limited to 20% of net earnings from self-employment (net profits minus self-employment tax deduction), and special rules apply in calculating the annual additions limit.

## Compensation limits/thresholds

Retirement plan compensation limits	2014	2015
Maximum compensation per participant that can be used to calculate tax-deductible employer contribution (qualified plans and SEPs)	\$260,000	\$265,000
Compensation threshold used to determine a highly-compensated employee	\$115,000 (when 2014 is the look-back year)	\$120,000 (when 2015 is the look-back year)
Compensation threshold used to determine a key employee in a top-heavy plan	\$1 for more-than-5% owners; \$170,000 for officers; \$150,000 for more-than-1% owners	\$1 for more-than-5% owners; \$170,000 for officers; \$150,000 for more-than-1% owners
Compensation threshold used to determine a qualifying employee under a SIMPLE plan	\$5,000	\$5,000

Compensation threshold used to determine a qualifying employee under a SEP plan	\$550	\$600
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<b>Traditional deductible IRA income limits--Income phase-out range for determining deductibility of traditional IRA contributions for taxpayers covered by an employer-sponsored plan and filing as:</b>	<b>2014</b>	<b>2015</b>
Single	\$60,000 - \$70,000	\$61,000 - \$71,000
Married filing jointly	\$96,000 - \$116,000	\$98,000 - \$118,000
Married filing separately	\$0 - \$10,000	\$0 - \$10,000

<b>Traditional deductible IRA income limits--Income phase-out range for determining deductibility of traditional IRA contributions for taxpayers not covered by an employer-sponsored retirement plan but filing a:</b>	<b>2014</b>	<b>2015</b>
Joint return with a spouse who is covered by an employer-sponsored retirement plan	\$181,000 - \$191,000	\$183,000 - \$193,000

<b>Roth IRA compensation limits--Income phase-out range for determining ability to fund Roth IRA for taxpayers filing as:</b>	<b>2014</b>	<b>2015</b>
Single	\$114,000 - \$129,000	\$116,000 - \$131,000
Married filing jointly	\$181,000 - \$191,000	\$183,000 - \$193,000
Married filing separately	\$0 - \$10,000	\$0 - \$10,000



## Investment Planning

### Tax on long-term capital gains

Generally long-term capital gains taxed at maximum rate of:	2014	2015
Taxpayers in top (39.6%) tax bracket	20%	20%
Taxpayers in 25%, 28%, 33%, and 35% tax rate brackets	15%	15%
Taxpayers in tax rate bracket 15% or less	0%	0%

### Tax on dividends

Maximum tax rate on dividends received by an individual shareholder from domestic and qualified foreign corporations	2014	2015
Taxpayers in top (39.6%) tax bracket	20%	20%
Taxpayers in 25%, 28%, 33%, and 35% tax rate brackets	15%	15%
Taxpayers in tax rate bracket 15% or less	0%	0%

### Unearned income Medicare contribution tax ("net investment income tax")

Amount of tax	2014	2015
Tax percentage	3.80%	3.80%

Applies to lesser of (a) net investment income or (b) modified adjusted gross income exceeding:	2014	2015
Individuals	\$200,000	\$200,000
Married filing jointly	\$250,000	\$250,000
Married filing separately	\$125,000	\$125,000

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