

Oak Wealth Advisors LLC

Michael C. Walther II, CPA-PFS, CFP®, CFA ®
836 Skokie Blvd.
Northbrook, IL 60062
847-945-8888
mike@oakwealth.com
www.oakwealth.com



Key Numbers for 2018-2020



2020 Numbers

Individual Income Tax Planning	2018	2019	2020
Adoption credit			
*Maximum credit	\$13,810	\$14,080	\$14,300
Phaseout threshold amount	\$207,140	\$211,160	\$214,520
Completed phaseout amount after	\$247,140	\$251,160	\$254,520
Alternative Minimum Tax (AMT)			
*Maximum AMT exemption amount			
Married filing jointly or surviving spouse	\$109,400	\$111,700	\$113,400
Single or head of household	\$70,300	\$71,700	\$72,900
Married filing separately	\$54,700	\$55,850	\$56,700
*AMT income exemption phaseout threshold			
Married filing jointly or surviving spouse	\$1,000,000	\$1,020,600	\$1,036,800
Single or head of household	\$500,000	\$510,300	\$518,400
Married filing separately	\$500,000	\$510,300	\$518,400
*AMT tax rate of 26% applies to AMTI at or below (28% for AMTI above this amount):			
All taxpayers except married filing separately	\$191,100	\$194,800	\$197,900
Married filing separately	\$95,550	\$97,400	\$98,950
Charitable deductions:			
*Use of auto for charitable purposes (deductible standard mileage rate)	\$0.14	\$0.14	\$0.14
Charitable fundraising contributions "insubstantial benefit" limitations:			
*Low-cost article (re: unrelated business income)	\$10.80	\$11.10	\$11.20
*Other insubstantial benefits (re: gifts to donor in return for contribution). Contribution is fully deductible if minimum contribution amount is met and cost of token gift does not exceed maximum.			
Token gift maximum cost	\$10.80	\$11.10	\$11.20
Minimum contribution amount	\$54	\$55.50	\$56
*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.			
Threshold amount	\$108	\$111	\$112
Child tax credit			
*Maximum credit per qualifying child	\$2,000	\$2,000	\$2,000
*Phaseout -- credit reduced by \$50 for each \$1,000 or fraction thereof of MAGI over:			
Single	\$200,000	\$200,000	\$200,000
Married filing jointly	\$400,000	\$400,000	\$400,000
Married filing separately	\$200,000	\$200,000	\$200,000
*Refundability -- up to specified percentage of earned income in excess of specified amount			
Percentage	15%	15%	15%
Amount	\$2,500	\$2,500	\$2,500
* Maximum refundable amount of credit	\$1,400	\$1,400	\$1,400
*Nonrefundable credit for dependents who are not qualifying children	\$500	\$500	\$500
Classroom expenses of elementary and secondary school teachers (maximum deduction)			
	\$250	\$250	\$250



Individual Income Tax Planning	2018	2019	2020
Earned income tax credit (EITC):			
*Excessive investment income limit ("disqualified income limit")	\$3,500	\$3,600	\$3,650
*Maximum amount of EITC per number of children			
0 children	\$519	\$529	\$538
1 child	\$3,461	\$3,526	\$3,584
2 children	\$5,716	\$5,828	\$5,920
3 or more children	\$6,431	\$6,557	\$6,660
*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)			
0 children	\$6,780	\$6,920	\$7,030
1 child	\$10,180	\$10,370	\$10,540
2 or more children	\$14,290	\$14,570	\$14,800
*Threshold phaseout amount for joint filers per number of children			
0 children	\$14,170	\$14,450	\$14,680
1 child	\$24,350	\$24,820	\$25,220
2 children	\$24,350	\$24,820	\$25,220
3 or more children	\$24,350	\$24,820	\$25,220
*Threshold phaseout amount for other filers per number of children			
0 children	\$8,490	\$8,650	\$8,790
1 child	\$18,660	\$19,030	\$19,330
2 children	\$18,660	\$19,030	\$19,330
3 or more children	\$18,660	\$19,030	\$19,330
*Completed phaseout amount for joint filers per number of children			
0 children	\$20,950	\$21,370	\$21,710
1 child	\$46,010	\$46,884	\$47,646
2 children	\$51,492	\$52,493	\$53,330
3 or more children	\$54,884	\$55,952	\$56,844
*Completed phaseout amount for other filers per number of children			
0 children	\$15,270	\$15,570	\$15,820
1 child	\$40,320	\$41,094	\$41,756
2 children	\$45,802	\$46,703	\$47,440
3 or more children	\$49,194	\$50,162	\$50,954
Expatriation			
*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 purposes of IRC §877A(g)(1).	\$165,000	\$168,000	\$171,000
*IRC §877A(3) exclusion amount	\$711,000	\$725,000	\$737,000
Foreign earned income exclusion:			
	\$103,900	\$105,900	\$107,600
Itemized deductions phaseout threshold:			
*Married filing jointly	N/A	N/A	N/A
*Head of household	N/A	N/A	N/A
*Unmarried	N/A	N/A	N/A
*Married filing separately	N/A	N/A	N/A



Individual Income Tax Planning	2018	2019	2020
Kiddie tax:			
*Unearned income limit			
Amount exempt from tax	\$1,050	\$1,100	\$1,100
Additional amount taxed at child's rate	\$1,050	\$1,100	\$1,100
Unearned income over this amount taxed at trust and estate income tax rates	\$2,100	\$2,200	\$2,200
*Election to include child's income on parent's return -- child's gross income requirement	\$1,050 - \$10,500	\$1,100 - \$11,000	\$1,100 - \$11,000
*AMT exemption for child subject to kiddie tax:	Lesser of \$7,600 + child's earned income or \$70,300	Lesser of \$7,750 + child's earned income or \$71,700	Lesser of \$7,900 + child's earned income or \$72,900
Medicare tax (additional payroll tax and unearned income contribution tax):			
* Additional Medicare payroll tax (and self-employment tax)	0.90%	0.90%	0.90%
Applies to wages/self-employment income exceeding:			
Individuals	\$200,000	\$200,000	\$200,000
Married filing jointly	\$250,000	\$250,000	\$250,000
Married filing separately	\$125,000	\$125,000	\$125,000
* Unearned income Medicare contribution tax	3.80%	3.80%	3.80%
Applies to lesser of (a) net investment income or (b) modified adjusted gross income exceeding:			
Individuals	\$200,000	\$200,000	\$200,000
Married filing jointly	\$250,000	\$250,000	\$250,000
Married filing separately	\$125,000	\$125,000	\$125,000
Nanny tax (domestic employee coverage threshold)	\$2,100	\$2,100	\$2,200
Personal exemption amount:	N/A	N/A	N/A
*Married filing jointly			
Phaseout threshold amount	N/A	N/A	N/A
Completed phaseout amount after	N/A	N/A	N/A
*Head of household			
Phaseout threshold amount	N/A	N/A	N/A
Completed phaseout amount after	N/A	N/A	N/A
*Unmarried			
Phaseout threshold amount	N/A	N/A	N/A
Completed phaseout amount after	N/A	N/A	N/A
*Married filing separately			
Phaseout threshold amount	N/A	N/A	N/A
Completed phaseout amount after	N/A	N/A	N/A



Individual Income Tax Planning	2018	2019	2020
"Saver's Credit" (Elective Deferrals and IRA or ABLE Contributions by Certain Individuals)			
*Maximum credit amount	\$1,000	\$1,000	\$1,000
*Applicable percentage of 50% applies to AGI			
Joint return	\$0 - \$38,000	\$0 - \$38,500	\$0 - \$39,000
Head of household	\$0 - \$28,500	\$0 - \$28,875	\$0 - \$29,250
Other	\$0 - \$19,000	\$0 - \$19,250	\$0 - \$19,500
*Applicable percentage of 20% applies to AGI			
Joint return	\$38,001 - \$41,000	\$38,501 - \$41,500	\$39,001 - \$42,500
Head of household	\$28,501 - \$30,750	\$28,876 - \$31,125	\$29,251 - \$31,875
Other	\$19,001 - \$20,500	\$19,251 - \$20,750	\$19,501 - \$21,250
*Applicable percentage of 10% applies to AGI			
Joint return	\$41,001 - \$63,000	\$41,501 - \$64,000	\$42,501 - \$65,000
Head of household	\$30,751 - \$47,250	\$31,126 - \$48,000	\$31,876 - \$48,750
Other	\$20,501 - \$31,500	\$20,751 - \$32,000	\$21,251 - \$32,500
*Applicable percentage of 0% applies to AGI			
Joint return	Over \$63,000	Over \$64,000	Over \$65,000
Head of household	Over \$47,250	Over \$48,000	Over \$48,750
Other	Over \$31,500	Over \$32,000	Over \$32,500
Standard deductions			
*Married filing jointly or surviving spouse	\$24,000	\$24,400	\$24,800
*Head of household	\$18,000	\$18,350	\$18,650
*Unmarried	\$12,000	\$12,200	\$12,400
*Married filing separately	\$12,000	\$12,200	\$12,400
*Dependent--standard deduction cannot exceed the greater of:	\$1,050 or \$350 + earned income	\$1,100 or \$350 + earned income	\$1,100 or \$350 + earned income
*Additional deduction for aged or blind (single or head of household)	\$1,600	\$1,650	\$1,650
*Additional deduction for aged or blind (all other filing statuses)	\$1,300	\$1,300	\$1,300
Standard mileage rates:			
*Use of auto for business purposes (cents per mile)	\$0.545	\$0.58	TBD
*Use of auto for medical purposes (cents per mile)	\$0.18	\$0.20	TBD
*Use of auto for moving purposes (cents per mile)	\$0.18	\$0.20	TBD



2020 Federal Income Tax Rate Schedules (Individuals, Trusts, and Estates)

Single Individuals

If taxable income is:	Your tax is:
Not over \$9,875	10% of taxable income
Over \$9,875 to \$40,125	\$987.50 + 12% of the excess over \$9,875
Over \$40,125 to \$85,525	\$4,617.50 + 22% of the excess over \$40,125
Over \$85,525 to \$163,300	\$14,605.50 + 24% of the excess over \$85,525
Over \$163,300 to \$207,350	\$33,271.50 + 32% of the excess over \$163,300
Over \$207,350 to \$518,400	\$47,367.50 plus 35% of the excess over \$207,350
Over \$518,400	\$156,235 plus 37% of the excess over \$518,400

Married filing jointly and surviving spouses

If taxable income is:	Your tax is:
Not over \$19,750	10% of taxable income
Over \$19,750 to \$80,250	\$1,975 + 12% of the excess over \$19,750
Over \$80,250 to \$171,050	\$9,235 plus 22% of the excess over \$80,250
Over \$171,050 to \$326,600	\$29,211 plus 24% of the excess over \$171,050
Over \$326,600 to \$414,700	\$66,543 plus 32% of the excess over \$326,600
Over \$414,700 to \$622,050	\$94,735 plus 35% of the excess over \$414,700
Over \$622,050	\$167,307.50 plus 37% of the excess over \$622,050

Married individuals filing separately

If taxable income is:	Your tax is:
Not over \$9,875	10% of taxable income
Over \$9,875 to \$40,125	\$987.50 + 12% of the excess over \$9,875
Over \$40,125 to \$85,525	\$4,617.50 plus 22% of the excess over \$40,125
Over \$85,525 to \$163,300	\$14,605.50 plus 24% of the excess over \$85,525
Over \$163,300 to \$207,350	\$33,271.50 plus 32% of the excess over \$163,300
Over \$207,350 to \$311,025	\$47,367.50 plus 35% of the excess over \$207,350
Over \$311,025	\$83,653.75 plus 37% of the excess over \$311,025

Heads of household

If taxable income is:	Your tax is:
Not over \$14,100	10% of taxable income
Over \$14,100 to \$53,700	\$1,410 + 12% of the excess over \$14,100
Over \$53,700 to \$85,500	\$6,162 plus 22% of the excess over \$53,700
Over \$85,500 to \$163,300	\$13,158 plus 24% of the excess over \$85,500
Over \$163,300 to \$207,350	\$31,830 plus 32% of the excess over \$163,300
Over \$207,350 to \$518,400	\$45,926 plus 35% of the excess over \$207,350
Over \$518,400	\$154,793.50 plus 37% of the excess over \$518,400

Trusts and estates

If taxable income is:	Your tax is:
Not over \$2,600	10% of taxable income
Over \$2,600 to \$9,450	\$260 + 24% of the excess over \$2,600
Over \$9,450 to \$12,950	\$1,904 + 35% of the excess over \$9,450
Over \$12,950	\$3,129 + 37% of the excess over \$12,950



2019 Federal Income Tax Rate Schedules (Individuals, Trusts, and Estates)

Single Individuals

If taxable income is:	Your tax is:
Not over \$9,700	10% of taxable income
Over \$9,700 to \$39,475	\$970 + 12% of the excess over \$9,700
Over \$39,475 to \$84,200	\$4,543 + 22% of the excess over \$39,475
Over \$84,200 to \$160,725	\$14,382.50 + 24% of the excess over \$84,200
Over \$160,725 to \$204,100	\$32,748.50 + 32% of the excess over \$160,725
Over \$204,100 to \$510,300	\$46,628.50 plus 35% of the excess over \$204,100
Over \$510,300	\$153,798.50 plus 37% of the excess over \$510,300

Married filing jointly and surviving spouses

If taxable income is:	Your tax is:
Not over \$19,400	10% of taxable income
Over \$19,400 to \$78,950	\$1,940 + 12% of the excess over \$19,400
Over \$78,950 to \$168,400	\$9,086 plus 22% of the excess over \$78,950
Over \$168,400 to \$321,450	\$28,765 plus 24% of the excess over \$168,400
Over \$321,450 to \$408,200	\$65,497 plus 32% of the excess over \$321,450
Over \$408,200 to \$612,350	\$93,257 plus 35% of the excess over \$408,200
Over \$612,350	\$164,709.50 plus 37% of the excess over \$612,350

Married individuals filing separately

If taxable income is:	Your tax is:
Not over \$9,700	10% of taxable income
Over \$9,700 to \$39,475	\$970 + 12% of the excess over \$9,700
Over \$39,475 to \$84,200	\$4,543 plus 22% of the excess over \$39,475
Over \$84,200 to \$160,725	\$14,382.50 plus 24% of the excess over \$84,200
Over \$160,725 to \$204,100	\$32,748.50 plus 32% of the excess over \$160,725
Over \$204,100 to \$306,175	\$46,628.50 plus 35% of the excess over \$204,100
Over \$306,175	\$82,354.75 plus 37% of the excess over \$306,175

Heads of household

If taxable income is:	Your tax is:
Not over \$13,850	10% of taxable income
Over \$13,850 to \$52,850	\$1,385 + 12% of the excess over \$13,850
Over \$52,850 to \$84,200	\$6,065 plus 22% of the excess over \$52,850
Over \$84,200 to \$160,700	\$12,962 plus 24% of the excess over \$84,200
Over \$160,700 to \$204,100	\$31,322 plus 32% of the excess over \$160,700
Over \$204,100 to \$510,300	\$45,210 plus 35% of the excess over \$204,100
Over \$510,300	\$152,380 plus 37% of the excess over \$510,300

Trusts and estates

If taxable income is:	Your tax is:
Not over \$2,600	10% of taxable income
Over \$2,600 to \$9,300	\$260 + 24% of the excess over \$2,600
Over \$9,300 to \$12,750	\$1,868 + 35% of the excess over \$9,300
Over \$12,750	\$3,075.50 + 37% of the excess over \$12,750



2018 Federal Income Tax Rate Schedules (Individuals, Trusts, and Estates)

Single Individuals

If taxable income is:	Your tax is:
Not over \$9,525	10% of taxable income
Over \$9,525 to \$38,700	\$952.50 + 12% of the excess over \$9,525
Over \$38,700 to \$82,500	\$4,453.50 + 22% of the excess over \$38,700
Over \$82,500 to \$157,500	\$14,089.50 + 24% of the excess over \$82,500
Over \$157,500 to \$200,000	\$32,089.50 + 32% of the excess over \$157,500
Over \$200,000 to \$500,000	\$45,689.50 + 35% of the excess over \$200,000
Over \$500,000	\$150,689.50 + 37% of the excess over \$500,000

Married filing jointly and surviving spouses

If taxable income is:	Your tax is:
Not over \$19,050	10% of taxable income
Over \$19,050 to \$77,400	\$1,905 + 12% of the excess over \$19,050
Over \$77,400 to \$165,000	\$8,907 + 22% of the excess over \$77,400
Over \$165,000 to \$315,000	\$28,179 + 24% of the excess over \$165,000
Over \$315,000 to \$400,000	\$64,179 + 32% of the excess over \$315,000
Over \$400,000 to \$600,000	\$91,379 + 35% of the excess over \$400,000
Over \$600,000	\$161,379 + 37% of the excess over \$600,000

Married individuals filing separately

If taxable income is:	Your tax is:
Not over \$9,525	10% of taxable income
Over \$9,525 to \$38,700	\$952.50 + 12% of the excess over \$9,525
Over \$38,700 to \$82,500	\$4,453.50 + 22% of the excess over \$38,700
Over \$82,500 to \$157,500	\$14,089.50 + 24% of the excess over \$82,500
Over \$157,500 to \$200,000	\$32,089.50 + 32% of the excess over \$157,500
Over \$200,000 to \$300,000	\$45,689.50 + 35% of the excess over \$200,000
Over \$300,000	\$80,689.50 + 37% of the excess over \$300,000

Heads of household

If taxable income is:	Your tax is:
Not over \$13,600	10% of taxable income
Over \$13,600 to \$51,800	\$1,360 + 12% of the excess over \$13,600
Over \$51,800 to \$82,500	\$5,944 + 22% of the excess over \$51,800
Over \$82,500 to \$157,500	\$12,698 + 24% of the excess over \$82,500
Over \$157,500 to \$200,000	\$30,698 + 32% of the excess over \$157,500
Over \$200,000 to \$500,000	\$44,298 + 35% of the excess over \$200,000
Over \$500,000	\$149,298 + 37% of the excess over \$500,000

Trusts and estates

If taxable income is:	Your tax is:
Not over \$2,550	10% of taxable income
Over \$2,550 to \$9,150	\$255 + 24% of the excess over \$2,550
Over \$9,150 to \$12,500	\$1,839 + 35% of the excess over \$9,150
Over \$12,500	\$3,011.50 + 37% of the excess over \$12,500



Investment Planning	2018	2019	2020
Maximum tax on long-term capital gains and qualified dividends			
* 0% rate applies (taxable income thresholds)			
Single	Up to \$38,600	Up to \$39,375	Up to \$40,000
Married filing jointly	Up to \$77,200	Up to \$78,750	Up to \$80,000
Married filing separately	Up to \$38,600	Up to \$39,375	Up to \$40,000
Head of household	Up to \$51,700	Up to \$52,750	Up to \$53,600
* 15% rate applies (taxable income thresholds)			
Single	\$38,601 to \$425,800	\$39,376 to \$434,550	\$40,000 to \$441,450
Married filing jointly	\$77,201 to \$479,000	\$78,751 to \$488,850	\$80,000 to \$496,600
Married filing separately	\$38,601 to \$239,500	\$39,376 to \$244,425	\$40,000 to \$248,300
Head of household	\$51,701 to \$452,400	\$52,751 to \$461,700	\$53,600 to \$469,050
* 20% rate applies (taxable income thresholds)			
Single	Over \$425,800	Over \$434,550	Over \$441,450
Married filing jointly	Over \$479,000	Over \$488,850	Over \$496,600
Married filing separately	Over \$239,500	Over \$244,425	Over \$248,300
Head of household	Over \$452,400	Over \$461,700	Over \$469,050
Unearned income Medicare contribution tax ("net investment income tax")			
*Tax percentage	3.80%	3.80%	3.80%
*Applies to lesser of (a) net investment income or (b) modified adjusted gross income exceeding:			
Individuals	\$200,000	\$200,000	\$200,000
Married filing jointly	\$250,000	\$250,000	\$250,000
Married filing separately	\$125,000	\$125,000	\$125,000



Education Planning	2018	2019	2020
American Opportunity and Lifetime Learning credits			
*Maximum American Opportunity credit	\$2,500	\$2,500	\$2,500
*Maximum Lifetime Learning credit	\$2,000	\$2,000	\$2,000
*MAGI phaseout range for American Opportunity credit			
Single--phaseout threshold amount	\$80,000	\$80,000	\$80,000
Single--completed phaseout amount after	\$90,000	\$90,000	\$90,000
Married filing jointly--phaseout threshold amount	\$160,000	\$160,000	\$160,000
Married filing jointly--completed phaseout threshold amount	\$180,000	\$180,000	\$180,000
*MAGI phaseout range for Lifetime Learning Credit			
Single--phaseout threshold amount	\$57,000	\$58,000	\$59,000
Single--completed phaseout amount after	\$67,000	\$68,000	\$69,000
Married filing jointly--phaseout threshold amount	\$114,000	\$116,000	\$118,000
Married filing jointly--completed phaseout threshold amount	\$134,000	\$136,000	\$138,000
Coverdell education savings accounts:			
*Annual contribution limit	\$2,000	\$2,000	\$2,000
*MAGI phaseout range for Coverdell education savings accounts			
Single--phaseout threshold amount	\$95,000	\$95,000	\$95,000
Single--completed phaseout amount after	\$110,000	\$110,000	\$110,000
Married filing jointly--phaseout threshold amount	\$190,000	\$190,000	\$190,000
Married filing jointly--completed phaseout threshold amount	\$220,000	\$220,000	\$220,000
Deduction for qualified higher education expenses			
*Maximum deduction	N/A	N/A	N/A
Deduction for student loan interest			
*Maximum deduction for interest paid on qualified education loans	\$2,500	\$2,500	\$2,500
*MAGI phaseout range			
Single--phaseout threshold amount	\$65,000	\$70,000	\$70,000
Single--completed phaseout amount after	\$80,000	\$85,000	\$85,000
Married filing jointly--phaseout threshold amount	\$135,000	\$140,000	\$140,000
Married filing jointly--completed phaseout threshold amount	\$165,000	\$170,000	\$170,000
Gift tax exclusion			
Annual gift tax exclusion--single individual	\$15,000	\$15,000	\$15,000
Annual gift tax exclusion--joint gift	\$30,000	\$30,000	\$30,000
Lump-sum gift to 529 plan--single individual	\$75,000	\$75,000	\$75,000
Lump-sum gift to 529 plan--joint gift	\$150,000	\$150,000	\$150,000
Kiddie tax			
Children pay federal income tax at the tax rates that apply to estates and trusts on any investment income over	\$2,100	\$2,200	\$2,200
U.S. savings bonds interest exclusion for college:			
*Joint returns			
Phaseout threshold for joint returns	\$119,300	\$121,600	\$123,550
Completed phaseout amount after	\$149,300	\$151,600	\$153,550
*Other returns			
Phaseout threshold for other returns	\$79,550	\$81,100	\$82,350
Completed phaseout amount after	\$94,550	\$96,100	\$97,350



Retirement Planning	2018	2019	2020
Employee/individual contribution limits			
Elective deferral limits			
* 401(k) plans, 403(b) plans, 457(b) plans, and SAR-SEPs ¹ (includes Roth 401(k) and Roth 403(b) contributions)	Lesser of \$18,500 or 100% of participant's compensation	Lesser of \$19,000 or 100% of participant's compensation	Lesser of \$19,500 or 100% of participant's compensation
* SIMPLE 401(k) plans and SIMPLE IRA plans ¹	Lesser of \$12,500 or 100% of participant's compensation	Lesser of \$13,000 or 100% of participant's compensation	Lesser of \$13,500 or 100% of participant's compensation
IRA contribution limits			
* Traditional IRAs	Lesser of \$5,500 or 100% of earned income	Lesser of \$6,000 or 100% of earned income	Lesser of \$6,000 or 100% of earned income
* Roth IRAs	Lesser of \$5,500 or 100% of earned income	Lesser of \$6,000 or 100% of earned income	Lesser of \$6,000 or 100% of earned income
Additional "catch-up" limits (individuals age 50 or older)			
* 401(k) plans, 403(b) plans, 457(b) plans, and SAR-SEPs ²	\$6,000	\$6,000	\$6,500
* SIMPLE 401(k) plans and SIMPLE IRA plans	\$3,000	\$3,000	\$3,000
* IRAs (traditional and Roth)	\$1,000	\$1,000	\$1,000
Employer contribution/benefit limits³			
Defined benefit plan limits			
* 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.	No predetermined limit. Contributions based on amount needed to fund promised benefits.
* Annual benefit limit per participant	Lesser of \$220,000 or 100% of average compensation for highest three consecutive years	Lesser of \$225,000 or 100% of average compensation for highest three consecutive years	Lesser of \$230,000 or 100% of average compensation for highest three consecutive years
Defined contribution plan limits (qualified plans, 403(b) plans, SEPs, and SIMPLE plans)			
* Annual addition limit per participant (employer contributions; employee pretax, after-tax, and Roth contributions; and forfeitures) (does not apply to SIMPLE IRA plans)	Lesser of \$55,000 or 100% (25% for SEP) of participant's compensation	Lesser of \$56,000 or 100% (25% for SEP) of participant's compensation	Lesser of \$57,000 or 100% (25% for SEP) of participant's compensation
* Maximum tax-deductible employer contribution (not applicable to 403(b) 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	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



Retirement Planning	2018	2019	2020
Compensation limits/thresholds			
Retirement plan compensation limits			
* Maximum compensation per participant that can be used to calculate tax-deductible employer contribution (qualified plans and SEPs)	\$275,000	\$280,000	\$285,000
* Compensation threshold used to determine a highly compensated employee	\$120,000 (when 2018 is the look-back year)	\$125,000 (when 2019 is the look-back year)	\$130,000 (when 2020 is the look-back year)
* Compensation threshold used to determine a key employee in a top-heavy plan	\$1 for more-than-5% owners \$175,000 for officers \$150,000 for more-than-1% owners	\$1 for more-than-5% owners \$180,000 for officers \$150,000 for more-than-1% owners	\$1 for more-than-5% owners \$185,000 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	\$5,000
* Compensation threshold used to determine a qualifying employee under a SEP plan	\$600	\$600	\$600
Traditional deductible IRA compensation limits			
* Income phaseout range for determining deductibility of traditional IRA contributions for taxpayers:			
1. Covered by an employer-sponsored plan and filing as:			
Single	\$63,000 - \$73,000	\$64,000 - \$74,000	\$65,000 - \$75,000
Married filing jointly	\$101,000 - \$121,000	\$103,000 - \$123,000	\$104,000 - \$124,000
Married filing separately	\$0 - \$10,000	\$0 - \$10,000	\$0 - \$10,000
2. Not covered by an employer-sponsored retirement plan, but filing joint return with a spouse who is covered by an employer-sponsored retirement plan	\$189,000 - \$199,000	\$193,000 - \$203,000	\$196,000 - \$206,000
Roth IRA compensation limits			
* Income phaseout range for determining ability to fund Roth IRA for taxpayers filing as:			
Single	\$120,000 - \$135,000	\$122,000 - \$137,000	\$124,000 - \$139,000
Married filing jointly	\$189,000 - \$199,000	\$193,000 - \$203,000	\$196,000 - \$206,000
Married filing separately	\$0 - \$10,000	\$0 - \$10,000	\$0 - \$10,000
* Annual income limit for determining ability to convert traditional IRA to Roth IRA	N/A	N/A	N/A

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

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

³ Note: 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.



Government Benefits	2018	2019	2020
Social Security			
Social Security cost-of-living adjustment (COLA)			
* For Social Security and Supplemental Security Income (SSI) beneficiaries	2.00%	2.80%	1.60%
Tax rate			
* FICA tax -- Employee	7.65%	7.65%	7.65%
Social Security (OASDI) portion of tax	6.20%	6.20%	6.20%
Medicare (HI) portion of tax	1.45% ¹	1.45% ¹	1.45% ¹
* Self-employed	15.30%	15.30%	15.30%
Social Security (OASDI) portion of tax	12.40%	12.40%	12.40%
Medicare (HI) portion of tax	2.90% ¹	2.90% ¹	2.90% ¹
Maximum taxable earnings			
* Social Security (OASDI only)	\$128,400	\$132,900	\$137,700
* Medicare (HI only)	No limit	No limit	No limit
Quarter of coverage			
* Earnings required	\$1,320	\$1,360	\$1,410
Retirement earnings test--exempt amounts			
* Under full retirement age			
Benefits reduced by \$1 for each \$2 earned above:			
Yearly figure	\$17,040	\$17,640	\$18,240
Monthly figure	\$1,420	\$1,470	\$1,520
* 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):			
Yearly figure	\$45,360	\$46,920	\$48,600
Monthly figure	\$3,780	\$3,910	\$4,050
* Beginning the month individual attains full retirement age	No limit on earnings	No limit on earnings	No limit on earnings
Social Security disability thresholds			
* Substantial gainful activity (SGA) for the sighted (monthly figure)	\$1,180	\$1,220	\$1,260
* Substantial gainful activity for the blind (monthly figure)	\$1,970	\$2,040	\$2,110
* Trial work period (TWP) (monthly figure)	\$850	\$880	\$910
SSI federal payment standard			
* Individual (monthly figure)	\$750	\$771	\$783
* Couple (monthly figure)	\$1,125	\$1,157	\$1,175
SSI resource limits			
* Individual	\$2,000	\$2,000	\$2,000
* Couple	\$3,000	\$3,000	\$3,000
SSI student exclusion limits			
* Monthly limit	\$1,820	\$1,870	\$1,900
* Annual limit	\$7,350	\$7,550	\$7,670
Maximum Social Security benefit			
* Worker retiring at full retirement age (monthly figure)	\$2,788	\$2,861	\$3,011
Formula for monthly Primary Insurance Amount (PIA) (90% of first X of AIME + 32% of the AIME over X and through Y + 15% of AIME over Y)	X=\$895 Y=\$5,397	X=\$926 Y=\$5,583	X=\$960 Y=\$5,785



Government Benefits	2018	2019	2020
Medicare			
Medicare monthly premium amounts			
* Part A (hospital insurance) monthly premium			
Individuals with 40 or more quarters of Medicare-covered employment	\$0	\$0	\$0
Individuals with less than 40 quarters of Medicare-covered employment who are not otherwise eligible for premium-free hospital insurance	Up to \$422	Up to \$437	Up to \$458
* Part B (medical insurance) monthly premium			
For beneficiaries who file an individual income tax return with income that is:			
2018 - 2019	2020		
Less than or equal to \$85,000	Less than or equal to \$87,000	\$134.00 ²	\$135.50 ²
\$85,001 - \$107,000	\$87,001 - \$109,000	\$187.50	\$189.60
\$107,001 - \$133,500	\$109,001 - \$136,000	\$267.90	\$270.90
\$133,501 - \$160,000	\$136,001 - \$163,000	\$348.30	\$352.20
\$160,001 - \$499,999	\$163,001 - \$499,999	\$428.60	\$433.40
\$500,000 and above	\$500,000 and above	\$428.60	\$460.50
For beneficiaries who file a joint income tax return with income that is:			
2018 - 2019	2020		
Less than or equal to \$170,000	Less than or equal to \$174,000	\$134.00 ²	\$135.50 ²
\$170,001 - \$214,000	\$174,001 - \$218,000	\$187.50	\$189.60
\$214,001 - \$267,000	\$218,001 - \$272,000	\$267.90	\$270.90
\$267,001 - \$320,000	\$272,001 - \$326,000	\$348.30	\$352.20
\$320,001 - \$749,999	\$326,001 - \$749,999	\$428.60	\$433.40
\$750,000 and above	\$750,000 and above	\$428.60	\$460.50
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:			
2018 - 2019	2020		
Less than or equal to \$85,000	Less than or equal to \$87,000	\$134.00 ²	\$135.50 ²
\$85,000 - \$414,999	\$87,001 - \$413,000	\$428.60	\$433.40
\$415,000 and above	\$413,000 and above	\$428.60	\$460.50
Original Medicare plan deductible and coinsurance amounts			
* Part A (hospital insurance)			
Deductible per benefit period	\$1,340	\$1,364	\$1,408
Coinsurance per day for 61st to 90th day of each benefit period	\$335	\$341	\$352
Coinsurance per day for 91st to 150th day for each lifetime reserve day (total of 60 lifetime reserve days--nonrenewable)	\$670	\$682	\$704
* Skilled nursing facility coinsurance per day for 21st to 100th day of each benefit period	\$168	\$170.50	\$176
* Part B (medical insurance) annual deductible			
Individual pays 20% of the Medicare-approved amount for services after deductible is met	\$183	\$185	\$198



Government Benefits	2018	2019	2020
Medicaid			
Monthly income threshold for income-cap states ("300 percent cap limit")	\$2,250	\$2,313	\$2,349
Monthly maintenance needs allowance for at-home spouse			
* Minimum ³	\$2,030	\$2,057.50	\$2,113.75
* Maximum	\$3,090	\$3,160.50	TBD
Spousal resource allowance			
* Minimum	\$24,720	\$25,284	TBD
* Maximum	\$123,600	\$126,420	TBD

¹An 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).

²This is the standard Part B premium amount. However, some people who get Social Security benefits will pay less than this amount.

³Amounts listed actually effective as of July of prior year; different amounts apply to Alaska and Hawaii.



Business Planning	2018	2019	2020
Adoption assistance programs			
*Maximum amount that can be excluded from employee's gross income	\$13,810	\$14,080	\$14,300
Phaseout threshold amount	\$207,140	\$211,160	\$214,520
Completed phaseout amount after	\$247,140	\$251,160	\$254,520
Earnings subject to FICA taxes (taxable wage base):			
*Maximum annual earnings subject to Social Security taxes	\$128,400	\$132,900	\$137,700
*Social Security and Medicare combined tax rate	15.30% ¹	15.30% ¹	15.30% ¹
OASDI portion (Social Security)	12.40%	12.40%	12.40%
Hospital Insurance portion (Medicare)	2.90% ¹	2.90% ¹	2.90% ¹
Health insurance deduction for self-employed:			
*Deduction for health insurance premiums paid by self-employed persons	100%	100%	100%
Qualified transportation fringe benefits:			
*Commuter vehicles and transit pass monthly exclusion amount	\$260	\$265	\$270
*Qualified parking monthly exclusion amount	\$260	\$265	\$270
*Qualified bicycle commuting reimbursement fringe benefit (monthly amount)	N/A	N/A	N/A
Section 179 expensing			
*Maximum amount that may be deducted under Section 179	\$1,000,000	\$1,020,000	\$1,040,000
*Deduction reduced by the amount by which the cost of Section 179 property placed in service during the year exceeds this amount	\$2,500,000	\$2,550,000	\$2,590,000
Small business tax credit for providing health-care coverage			
*Maximum credit percentage	50%	50%	50%
*Partial credit			
Number of full-time equivalent employees (FTEs) fewer than:	25	25	25
Maximum annual average wages less than:	\$53,200	\$54,200	\$55,200
*Full credit			
Number of full-time equivalent employees (FTEs) no more than:	10	10	10
Maximum annual average wages less than or equal to:	\$26,600	\$27,100	\$27,600
Special additional first-year depreciation allowance			
**"Bonus" depreciation for qualified property acquired and placed in service during specified time periods	100%	100%	100%
Standard mileage rate (per mile):			
*Use of auto for business purposes	\$0.545	\$0.58	TBD
Tax on accumulated earnings and personal holding company income			
	20%	20%	20%

¹ 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).



Estate Planning	2018	2019	2020
Annual gift exclusion:	\$15,000	\$15,000	\$15,000
Gift and estate tax basic exclusion amount:	\$11,180,000 + DSUEA ¹	\$11,400,000 + DSUEA ¹	\$11,580,000 + DSUEA ¹
Noncitizen spouse annual gift tax exclusion:	\$152,000	\$155,000	\$157,000
Generation-skipping transfer (GST) tax exemption:	\$11,180,000 ²	\$11,400,000 ²	\$11,580,000 ²
Special use valuation limit (qualified real property in decedent's gross estate):	\$1,140,000	\$1,160,000	\$1,180,000

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

² The GST tax exemption is not portable

2018, 2019, and 2020 Gift and Estate Tax Rate Schedule	Tentative Tax Equals		
Taxable Gift/Estate	Base Tax	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
Credit shelter amount \$11,180,000 in 2018, \$11,400,000 in 2019, and \$11,580,000 in 2020	Unified credit amount \$4,417,800 in 2018, \$4,505,800 in 2019, and \$4,577,800 in 2020		



Protection Planning	2018	2019	2020
Eligible long-term care premium deduction limits:			
*Age 40 or under	\$420	\$420	\$430
*Age 41-50	\$780	\$790	\$810
*Age 51-60	\$1,560	\$1,580	\$1,630
*Age 61-70	\$4,160	\$4,220	\$4,350
*Over age 70	\$5,200	\$5,270	\$5,430
Per diem limit: periodic payments for qualified long-term care insurance/certain life insurance	\$360	\$370	\$380
Archer medical savings accounts			
*High deductible health plan--self-only coverage			
Annual deductible--minimum	\$2,300	\$2,350	\$2,350
Annual deductible--maximum	\$3,450	\$3,500	\$3,550
Annual out-of-pocket expenses required to be paid (other than for premiums) can't exceed	\$4,550	\$4,650	\$4,750
*High deductible health plan--family coverage			
Annual deductible--minimum	\$4,550	\$4,650	\$4,750
Annual deductible--maximum	\$6,850	\$7,000	\$7,100
Annual out-of-pocket expenses required to be paid (other than for premiums) can't exceed	\$8,400	\$8,550	\$8,650
Flexible spending account (FSA) for health care--maximum salary reduction contribution	\$2,650	\$2,700	\$2,750
Health savings accounts (HSAs)			
*Annual contribution limit			
Self-only coverage	\$3,450	\$3,500	\$3,550
Family coverage	\$6,900	\$7,000	\$7,100
*High deductible health plan--self-only coverage			
Annual deductible--minimum	\$1,350	\$1,350	\$1,400
Annual out-of-pocket expenses required to be paid (other than for premiums) can't exceed	\$6,650	\$6,750	\$6,900
*High deductible health plan--family coverage			
Annual deductible--minimum	\$2,700	\$2,700	\$2,800
Annual out-of-pocket expenses required to be paid (other than for premiums) can't exceed	\$13,300	\$13,500	\$13,800
*Annual catch-up contribution limit for individuals age 55 or older	\$1,000	\$1,000	\$1,000



Neither Oak Wealth Advisors LLC nor Forefield Inc. provides legal or tax advice. All content contained in this document is protected by copyright. Neither Oak Wealth Advisors LLC or Forefield Inc. claim liability for any modifications to its content and/or information provided by other sources that is included within. You should consult with your financial, legal and/or tax advisors before acting on any information contained in this document.

Oak Wealth Advisors LLC
Michael C. Walther II, CPA-PFS,
CFP®, CFA ®
836 Skokie Blvd.
Northbrook, IL 60062
mike@oakwealth.com
847-945-8888

