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We are a fee-only firm that seeks to adhere to the highest fiduciary standards and provide clients with advice that is truly unbiased and has only our clients' best interests in mind.

We offer clients a wealth of comprehensive financial planning expertise in:

- retirement planning
- estate planning
- investment management
- risk management
- insurance
- education planning

Our advisers hold a variety of professional designations and certifications and are well-versed in a number of financial disciplines. Our combined education and experience allows us to proudly offer you independent financial advice you can trust.



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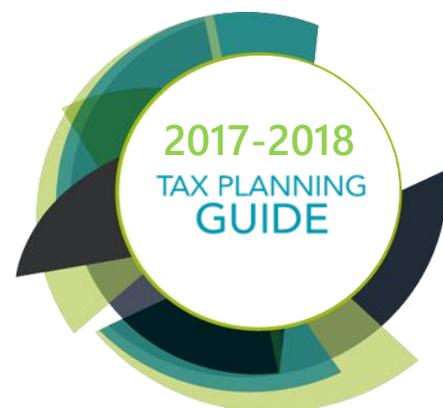
- TAX CUTS & JOBS ACT IMPACT ON TAX LAWS
- 2017 TAX RATE SCHEDULES
- PROACTIVE TAX PLANNING FOR 2018

Tax Planning & Tax Risk Management

FILING FOR 2017, PLANNING FOR 2018

The largest piece of tax reform legislation in more than 30 years was passed in December. Keep in mind, however, that the Tax Cuts & Jobs Act (TCJA) will have little impact on your taxes for 2017. Here are some other tax related highlights:

- ▶ Tax season officially opened on January 29, 2018
- ▶ The IRS anticipates more than 155 million individual tax returns for 2017
- ▶ Deadline to file or ask for an extension is April 17, 2018
- ▶ Keep reading to learn how you may be able to minimize your taxes



At Hughes Financial Services, we strongly believe tax planning should always be an essential focus when reviewing your personal financial situation. This report reviews some of the broader changes coming from the Tax Cuts & Jobs Act along with a wide range of tax reduction strategies.

Our goal as financial advisers is to try to point out as many tax savings opportunities and strategies as possible.

We always recommend addressing any strategy with a tax professional to consider how one strategy may affect another and calculate both state and federal income tax consequences. Tax strategies and ideas that have worked in the past might not work now or even be available under today's tax laws.

As you read along, note each tax strategy you think could be beneficial but keep in mind that not all ideas are appropriate for everyone. Always attempt to understand the details before making any decisions — it's always easier to avoid a problem than it is to solve one! Remember, you always have the option to do nothing.



TAX CUTS & JOBS ACT

WHILE THERE ARE MANY CHANGES IN THE 'TAX CUTS & JOBS ACT' THAT WILL IMPACT YOUR 2018 TAXES, YOU SHOULD BE AWARE OF THE CHANGES THAT MAY IMPACT 2017 TAXES

MEDICAL EXPENSE DEDUCTIONS: The Tax Cuts and Jobs Act (TCJA) retroactively makes the 7.5% threshold available to any individual taxpayer regardless of age for 2017 and 2018. However, the 10% threshold amount will return in 2019.

BUSINESS PROPERTY: Expensing certain property for your business in the first year (bonus depreciation) has been increased, up to 100%, for any property acquired and placed in service after September 27, 2017. The bill was also expanded to included used items.

STATE AND LOCAL TAXES: If your state and local taxes and property taxes usually total more than \$10,000, be careful not to assume you could have prepaid your 2018 taxes back at the end of 2017. The new tax bill prohibits prepaying 2018 state and local taxes that were not imposed in 2017.

PERSONAL CASUALTY LOSSES: In the United States, 2017 was an unusual year for natural disasters. The good news is that there's a tax break, retroactive back to 2016, that was expanded to include losses in any federally-declared disaster area. Personal casualty losses are typically claimed as an itemized deduction but with the new law, a taxpayer whose principal residence is in a federally-declared disaster zone can take the loss if they claim the standard deduction with limitations.

LIMIT TYPE	2017 LIMIT
Elective deferrals to 401(k), 403(b), 457(b)(2), 457(c)(1)	\$18,000
Contributions to defined contribution plans	\$54,000
Contributions to SIMPLEs	\$12,500
Contributions to traditional IRAs	\$5,500
Catch-up contributions to 401(k), 403(b), 457(b)(2), 457(c)(1)	\$6,000
Catch-up contributions to SIMPLEs	\$3,000
Catch-up contributions to IRAs	\$1,000

TAX STRATEGIES



CONTRIBUTE TO RETIREMENT ACCOUNTS

IF YOU HAVEN'T ALREADY FUNDED YOUR RETIREMENT ACCOUNT FOR 2017, CONSIDER DOING SO BY APRIL 17, 2018. THIS IS THE DEADLINE FOR TRADITIONAL IRA (DEDUCTIBLE OR NOT) AND ROTH IRA CONTRIBUTIONS.

However, if you have a Keogh or SEP and you get a filing extension to October 16, 2018, you can wait until then to put 2017 contributions into those accounts. To start tax-free compounding as quickly as possible, however, try not to delay in making contributions. Making a deductible contribution will help you lower your tax bill for 2017 and your contributions will compound tax-deferred.

To qualify for the full annual IRA deduction in 2017, you must either: 1) not be eligible to participate in a company retirement plan, or 2) if you are eligible, you must have an adjusted gross income of \$62,000 - \$72,000 for singles, and from \$99,000 - \$119,000 for married couples filing jointly. If you are not eligible for a company plan but your spouse is, your traditional IRA contribution is fully deductible if your combined gross income does not exceed \$186,000. For 2017, the maximum IRA contribution you can make is \$5,500 (\$6,500 if you are age 50 or older by the end of the year). For the self-employed, the maximum annual addition to SEPs and Keoghs for 2017 is \$54,000.

Although choosing to contribute to a Roth IRA instead of a traditional IRA will not reduce your 2017 tax bill (Roth contributions are not deductible), it could be the better choice because all withdrawals from a Roth can be tax-free in retirement. Withdrawals from a traditional IRA are fully taxable in retirement. To contribute the full \$5,500 (\$6,500 if you are age 50 or older by the end of 2017) to a Roth IRA, you must earn \$118,000 or less a year if you are single or \$186,000 if you're married and file a joint return.

The amount you save from making a contribution will vary. If you are in the 25% tax bracket and make a deductible IRA contribution of \$5,500, you will save \$1,375 in taxes the first year. Over time, future contributions could save you thousands, depending on your contribution, income tax bracket and the number of years you keep the money invested.

If you have any questions on retirement contributions, please call us.

2017 TAX RATES & INCOME BRACKETS

There are still seven federal income tax brackets in place for 2017. The lowest of the seven tax rates is 10%, while the top tax rate is 39.6%. The income that falls into each bracket is scheduled to be adjusted each year for inflation. For 2017, see the chart at the end of this report to see which bracket you fall into.



For 2017, there is a phase-out of itemized deductions and personal exemptions for taxpayers whose income is greater than \$313,800 if married filing jointly or \$261,500 if single.

Not sure how to file? Then ask your tax preparer or review IRS Publication 17, Your Federal Income Tax, which is a complete tax resource. It contains helpful information such as whether you need to file a tax return and how to choose your filing status.

2017 STANDARD DEDUCTION AMOUNTS

- ▶ Most taxpayers claim the standard deduction
- ▶ The amounts for each of the filing statuses are adjusted annually for inflation
- ▶ For taxpayers younger than age 65, the standard deduction for married joint filers (\$12,700) is double the single filer (\$6,350) amount
- ▶ Taxpayers who are head of households get a larger deduction (\$9,350) because they are supporting dependents
- ▶ Older taxpayers and visually impaired filers get bigger standard deduction amounts (\$1,250 married, \$1,550 single)

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CAPITAL GAINS & LOSSES

WITH DIFFERENT TAX RATES FOR DIFFERENT TYPES OF GAINS AND LOSSES IN YOUR MARKETABLE SECURITIES PORTFOLIO, IT'S PROBABLY A GOOD IDEA TO FAMILIARIZE YOURSELF WITH SOME OF THE RULES.

- Short-term capital losses must first be used to offset short-term capital gains.
- If there are net short-term losses, they can be used to offset net long-term capital gains.
- Long-term capital losses are similarly first applied against long-term capital gains, with any excess applied against short-term capital gains.
- Net long-term capital losses in any rate category are first applied against the highest tax rate long-term capital gains.
- Capital losses that are more than your capital gains can be used to offset up to \$3,000 of ordinary income.
- Any remaining unused capital losses can be carried forward and used in the same manner as described above.
- Please remember to look at your 2016 income tax return Schedule D (page 2) to see if you have any capital loss carryover for 2017. This is often overlooked, especially if you are changing tax preparers.

ALWAYS DOUBLE-CHECK YOUR CAPITAL GAINS OR LOSSES. If you sold an asset outside of a qualified account during 2017, you most likely incurred a capital gain or loss. Sales of securities showing the transaction date and sale price are listed on the 1099 generated by the financial institution. However, your 1099 might not show the correct cost basis or realized gain or loss for each sale. You will need to know the full cost basis for each investment sold outside of your qualified accounts, which is usually what you paid for it, but this is not always the case.

ROTH IRA CONVERSIONS

A ROTH IRA CONVERSION IS WHEN YOU CONVERT PART OR ALL OF YOUR TRADITIONAL IRA INTO A ROTH IRA. THIS IS A TAXABLE EVENT.

The amount you converted is subject to ordinary income tax. It might also cause your income to increase, thereby subjecting you to the Medicare surtax. Roth IRAs grow tax-free and withdrawals are tax-free in the future, a time when tax rates might be higher.

Whether to convert part or all your traditional IRA to a Roth IRA depends on your situation. It is best to prepare a tax projection and calculate the appropriate amount to convert. Remember—you do not have to convert all your IRA to a Roth. Roth IRA conversions are not subject to the pre-age 59½ penalty of 10%.

Many 401(k) plan participants can convert the pre-tax money in their 401(k) plan to a Roth 401(k) plan without leaving the job or reaching age 59½. There are several pros and cons to consider before making this change. Please call us to see if this makes sense for you.

INHERITED IRAS

BE CAREFUL IF YOU INHERIT A RETIREMENT ACCOUNT FROM A LOVED ONE. IN MANY CASES, A DECEDENT'S LARGEST ASSET IN THEIR ESTATE IS A RETIREMENT ACCOUNT. TAX LAWS FOR INHERITED RETIREMENT ACCOUNTS ARE VERY COMPLICATED, AND YOU MUST CAREFULLY ADHERE TO THE REQUIREMENTS TO AVOID ANY UNNECESSARY INCOME TAXES AND PENALTIES. CONTACT US BEFORE RECEIVING ANY DISTRIBUTIONS FROM A RETIREMENT ACCOUNT YOU INHERIT. REMEMBER – IT'S EASIER TO AVOID A PROBLEM THAN IT IS TO SOLVE ONE!



- Inherited retirement accounts, such as an IRA or other qualified plan, are usually 100% taxable upon receipt
- No step-up in basis on investments within retirement accounts
- Non-spouse beneficiaries usually cannot rollover an inherited IRA to their own IRA; establish an Inherited IRA (“stretch” IRA) instead
- Non-spouse beneficiaries of any age can start Required Minimum Distributions (RMDs) the year following the year the owner died and stretch them out over their own life expectancy
- Stretch IRAs reduce income taxes significantly compared to having all the IRA taxed in one year

INVESTMENT INCOME

PEOPLE WHO HAVE ENOUGH INCOME TO PAY TAXES AT THE 39.6% RATE WILL PAY 20% IN 2017 ON NET LONG-TERM CAPITAL GAINS AND QUALIFIED DIVIDENDS.

Long-term capital gains are taxed at more favorable rates compared to ordinary income. One tax strategy is to review your investments that have unrealized long-term capital gains and sell enough of the appreciated investments to generate enough long-term capital gains to push you to the top of your federal income tax bracket. This strategy could be helpful if you are in the 0% capital gains bracket and do not have to pay any federal taxes on this gain. Then, if you want, you can buy back your investment the same day, increasing your cost-basis in those investments. If you sell them in the future, the increased cost-basis will help reduce long-term capital gains. You do not have to wait 30 days before you buy back this investment — the 30-day rule only applies to losses, not gains.

Note: this non-taxable capital gain for federal income taxes might not apply to your state taxes

Remember that marginal tax rates on long-term capital gains and dividends can be higher than expected. The 3.8% surtax can raise the effective rate to 18.8% for filers below the 39.6% tax bracket and 23.8% for people in the highest tax bracket.

REQUIRED MINIMUM DISTRIBUTIONS (RMDs)

IF YOU TURNED AGE 70½ DURING 2017, YOU STILL HAVE UNTIL APRIL 1, 2018, TO TAKE OUT YOUR FIRST RMD.

This is a one-time opportunity in case you forgot the first time. The deadline for taking out your RMD in the future will be December 31st of each year. If you do not pay out your RMD by this deadline, you may be subject to a 50% penalty on the amount you were supposed to take out.

You usually do not have to take out an RMD from your current employer's retirement account as long as you work there and don't own more than 5% of the company. See your plan administrator if you have any questions.

IF YOU HAVE ANY QUESTIONS ABOUT YOUR RMDs, PLEASE CALL US.

CHILD AND DEPENDENT CARE CREDIT

Many parents claim the child and dependent care credit each year to help cover the costs of after-school daycare while working yet overlook claiming child care costs during the summer. The key for this deduction is that the camp can only be a day camp, not an overnight camp.

Remember the dual nature of the credit's name: child and dependent. If you have an adult dependent that needs care so that you can work, those expenses can possibly be claimed under this tax credit. The Child and Dependent Care Credit can be worth from 20% to 35%, depending on your income, of some or all qualified expenses paid out.

HEALTH INSURANCE MANDATE

The Patient Protection and Affordable Care Act is still in effect for 2017 taxes. This Act requires that you must carry a minimum level of health insurance for yourself, your spouse and your dependents. If you fail to do so, you could possibly pay a fine. For tax year 2017, the penalty is the greater of 2.5% of your total household adjusted gross income, or \$695 per adult and \$347.50 per child, to a maximum of \$2,085.

CHARITABLE GIFTS AND DONATIONS

When preparing your list of charitable gifts, remember to review your checkbook register so you don't leave any out. Everyone remembers to count the monetary gifts they make to their favorite charities, but you should count noncash donations as well. Make it a priority to always get a receipt for every gift and keep these receipts! If your contribution totals more than \$250, you'll also need an acknowledgement from the charity documenting the support you provided. Remember that you'll have to itemize to claim this deduction, but when filing, the expenses incurred while doing charitable work is often not included on tax returns.

You can't deduct the value of your time spent volunteering, but if you buy supplies for a group, the cost of that material is deductible as an itemized charitable donation. You can also claim a charitable deduction for the use of your vehicle for charitable purposes, such as delivering meals to the homebound in your community or taking your child's Scout troop on an outing. For 2017, the IRS will let you deduct that travel at .14 cents per mile.

ENERGY CREDITS

You can still get an energy efficiency tax credit for qualifying energy-efficient products such as solar hot water heaters, solar electric equipment and wind turbines. The credit is 30% of the purchase cost and installation of these alternative energy products, there is no limit to the amount of credit you can take, and you can carry forward any unused credit to future tax years. These credits can be claimed by filing Form 5695, Residential Energy Credits, with your tax return.

MEDICARE TAXES

3.8% MEDICARE INVESTMENT TAX

This is the fifth year of the net investment income tax of 3.8%, also known as the Medicare surtax. If you earn more than \$200,000 as a single or head of household taxpayer, \$125,000 as married taxpayers filing separately or \$250,000 as married joint return filers, then this tax applies to either your modified adjusted gross income or net investment income (including interest, dividends, capital gains, rentals, and royalty income), whichever is lower. This 3.8% tax is in addition to capital gains or any other tax you already pay on investment income.

There is little you can do to reduce this tax for 2017. There was discussion of it being repealed for 2018 and beyond but this tax currently remains intact.

A helpful strategy has been to pay attention to timing, especially if your income fluctuates from year to year or is close to the \$200,000 or \$250,000 amount. Consider realizing capital gains in years when you are under these limits. The inclusion limits may penalize married couples, so realizing investment gains before you tie the knot may help in some circumstances. This tax makes the use of depreciation, installment sales, and other tax deferral strategies suddenly more attractive.

MEDICARE HEALTH INSURANCE TAX ON WAGES

If you earn more than \$200,000 in wages, compensation, and self-employment income (\$250,000 if filing jointly, or \$125,000 if married and filing separately), the Affordable Care Act also levies a special 0.9% tax on your wages and other earned income. You'll pay this all year long as your employer withholds the additional Medicare Tax from your paycheck. If you're self-employed, be sure to plan for this tax when you calculate your estimated taxes.

If you're employed, there's little you can do to reduce the bite of this tax. Requesting non-cash benefits in lieu of wages won't help — they're included in the taxable amount. If you're self-employed, you may want to take special care in timing income and expenses (especially depreciation) to avoid the limit.



REINVESTED DIVIDENDS

This isn't a tax deduction but can save investors a bundle. For an article on overlooked deductions, former IRS commissioner Fred Goldberg told *Kiplinger* magazine that missing this tax break costs taxpayers a lot in overpaid taxes.

Many investors have mutual fund dividends that are automatically used to buy extra shares. Remember that each reinvestment increases your tax basis in that fund, which in turn will reduce the taxable capital gain (or increases the tax-saving loss) when you redeem shares. Please keep good records. Forgetting to include reinvested dividends in your basis can result in double taxation of the dividends — once in the year when they were paid out and immediately reinvested and later, when they're included in the proceeds of the sale.

Don't make that costly mistake. If you're not sure what your basis is, ask the fund or us for help. Funds often report to investors the tax basis of shares redeemed during the year. Regulators currently require that for the sale of shares purchased, financial institutions must report the basis to investors and the IRS.

STUDENT LOAN INTEREST PAID BY PARENTS

Generally, you can deduct interest only if you are legally required to repay the debt. But if parents pay back a child's student loans, the IRS treats the transactions as if the money were given to the child, who then paid the debt. If the child is no longer claimed as a dependent, he or she can deduct up to \$2,500 of student-loan interest paid by their parents each year. Note that he or she does not have to itemize to take advantage of this money-saver. (Parents can't claim the interest deduction even though they foot the bill because they are not legally liable for the debt.)

CHARITABLE GIFT MADE FROM IRA

Individuals at least 70½ years of age can still exclude from their gross income qualified charitable distributions from IRAs of up to \$100,000 per year. Please remember to double check on what counts as a qualified charity and distribution before using this tax strategy.

DON'T FORGET DEDUCTIONS CARRIED OVER FROM PRIOR YEARS

because you exceeded annual limits, such as capital losses, passive losses, charitable contributions and alternative minimum tax credits.

CHECK YOUR 2016 TAX RETURN to see if there was a refund from 2016 applied to your 2017 estimated taxes.

WRITE DOWN/KEEP RECEIPTS you think are tax-deductible. Many assume various expenses are not deductible and do not mention them to their tax preparer. Don't assume anything — give your tax preparer the chance to tell you whether something is or is not deductible.

DON'T OVERPAY SOCIAL SECURITY TAXES. If you received a paycheck from two or more employers and earned more than \$127,200 in 2017, you may be able to file a claim on your return for the excess Social Security tax withholding.

CALCULATE 2018 ESTIMATED TAX PAYMENTS VERY CAREFULLY. Most computer tax programs automatically assume your income tax liability for the current year is the same as the prior year. This is done in order to avoid paying penalties for underpayment of estimated income taxes. However, in many cases this is not a correct assumption, especially if 2017 was an unusual income tax year due to the sale of a business, unusual capital gains, exercise of stock options, or even winning the Powerball!

More importantly, the Tax Cuts & Jobs Act may reduce your taxes for 2018, so you may be able to reduce your estimated taxes.

DOUBLE CHECK YOUR MATH where possible and remember to consult a tax preparer before filing.

A FINAL NOTE

When filing your 2017 taxes, the rules and laws do not vary too much from your 2016 taxes. However, filing in the 2018 tax season may prove to be a more interesting time! An essential part of maintaining your overall financial health is attempting to keep your tax liability to a minimum. No one wants to give Uncle Sam more money than is necessary! Managing your assets involves careful planning and keeping updated and informed of any changes that may affect investors.

Looking ahead to 2018, taxpayers will need to be aware of the changes the Tax Cuts & Jobs Act will bring and how they may impact their taxes and overall financial picture. One of our primary goals is to keep you informed of the changes that will be affecting investors like you. We believe that taking a proactive approach is better than a reactive approach — especially regarding income tax strategies!

Remember, if you ever have any questions regarding your finances, please be sure to call us first before making any decisions. We pride ourselves in our ability to help clients make decisions. Many times, there is a simple solution to your question or concern.

USE IRS.GOV AS AN ONLINE RESOURCE FOR TAX INFORMATION AND DETAILS

PROACTIVE TAX PLANNING FOR 2018

With the passage of the Tax Cuts and Jobs Act, many tax brackets, thresholds, and rates will change in 2018. We will keep you updated throughout the year on potential strategies that could be helpful to you. For now, please review the 2017 and 2018 tax brackets and the 10 things you should know about to be proactive in your tax planning for 2018.

Tax Brackets for Single Filers				Tax Brackets for married taxpayers filing jointly			
2017		2018		2017		2018	
10%	\$0 - \$9,325	10%	\$0 - \$9,525	10%	\$0 - \$18,650	10%	\$0 - \$19,050
15%	\$9,326 - \$37,950	12%	\$9,526 - \$38,700	15%	\$18,651 - \$75,900	12%	\$19,051 - \$77,400
25%	\$37,951 - \$91,900	22%	\$38,701 - \$82,500	25%	\$75,901 - \$153,100	22%	\$77,401 - \$165,000
28%	\$91,901 - \$191,650	24%	\$82,501 - \$157,500	28%	\$153,101 - \$233,350	24%	\$165,001 - \$315,000
33%	\$191,651 - \$416,700	32%	\$157,501 - \$200,000	33%	\$233,351 - \$416,700	32%	\$315,001 - \$400,000
35%	\$416,701 - \$418,400	35%	\$200,001 - \$500,000	35%	\$416,701 - \$470,700	35%	\$400,001 - \$600,000
39.6%	\$418,401 +	37%	\$500,001 +	39.6%	\$470,701 +	37%	\$600,001 +
Standard deduction: \$6,350		Standard deduction: \$12,000		Standard deduction: \$12,700		Standard deduction: \$24,000	
Personal exemption: \$4,050		Personal exemption: Eliminated		Personal exemption: \$8,100		Personal exemption: Eliminated	

TOP 10 PROACTIVE TAX PLANNING STRATEGIES FOR 2018



NEW INCOME TAX RATES: While there are still seven income tax rates, changes were made to the actual brackets. A new top rate of 37% will affect single filers with incomes of \$500,000 and higher and married taxpayers filing jointly with incomes over \$600,000.



HIGHER STANDARD DEDUCTIONS FOR 2018: Married filing jointly taxpayers will have an increased standard deduction of \$24,000, up from \$13,000. Single filers and those who are married filing separately now have a \$12,000 standard deduction, up from \$6,500. For heads of households, the deduction will be \$18,000, up from \$9,550.



STATE AND LOCAL TAXES (SALT) LIMITATIONS: The itemized deduction is limited to \$10,000 total of state income, sales and property taxes paid during the year. The \$10,000 limit applies both for individual filers and married taxpayers filing jointly.



MORTGAGE INTEREST DEDUCTION CHANGES: The interest deduction is capped at \$750,000 for mortgage loan balances taken out AFTER December 15, 2017. The limit is still \$1M for mortgages established prior to this date.



NEW CONTRIBUTION LIMITS FOR RETIREMENT SAVINGS: Employees who participate in certain retirement plans – 401(k), 403(b), most 457 plans, and the Thrift Savings Plan – can now contribute as much as \$18,500 this year, a \$500 increase from the \$18,000 limit for 2017.



PERSONAL EXEMPTION ELIMINATED: Starting in 2018, the personal exemption has been eliminated.



CHILD TAX CREDIT CHANGES: The child tax credit has been raised to \$2,000 per child under 17, up from \$1,000. A \$500 credit is available for dependents who do not get the \$2,000 credit (non-child dependents).



NEW IRA CONTRIBUTION LIMITS: Retirement savers who contribute to IRAs in 2018 will have higher income ranges following cost-of-living adjustments. For single taxpayers, the limit will be \$63,000 to \$73,000. For married couples, the phaseout range will vary depending on whether the IRA contributor is covered by a workplace retirement plan or not. When the spouse who is investing has access to an employer plan, the range is \$101,000 to \$121,000. For individuals who don't have a retirement plan but are married to someone who does, the phaseout has been raised to \$189,000 to \$199,000. The phaseout was not adjusted for married individuals who file a separate return and are covered by a workplace retirement plan; that range is \$0 to \$10,000. *Please note that the deduction phases out for individuals and their spouses who are covered by workplace retirement plans.*



ROTH IRA CHANGES: For single individuals or heads of households, the income phaseout has been raised to \$120,000 to \$135,000. For married couples filing jointly, the range is \$189,000 to \$199,000. The phaseout was not adjusted for married individuals who file a separate return; that is \$0 to \$10,000. Also, starting in 2018, Roth IRA conversions can no longer be recharacterized.



ESTATE TAX EXEMPTION INCREASED: Starting in 2018, the estate tax exemption doubles to \$11.2 million per individual and \$22.4 million per couple.