



ADVANCED MARKETS

2016 Fingertip Tax Guide

INCOME TAXES 2016

If Taxable Income Is:¹

	Over	But Not Over	The Tax Is	Of the Amount Over
Married Filing Jointly:	\$0	\$18,550	\$0 + 10%	\$0
	\$18,550	\$75,300	\$1,855 + 15%	\$18,550
	\$75,300	\$151,900	\$10,367.50 + 25%	\$75,300
	\$151,900	\$231,450	\$29,517.50 + 28%	\$151,900
	\$231,450	\$413,350	\$51,791.50 + 33%	\$231,450
	\$413,350	\$466,950	\$111,818.50 + 35%	\$413,350
	\$466,950	–	\$130,578.50 + 39.6%	\$466,950
Single:	\$0	\$9,275	\$0 + 10%	\$0
	\$9,275	\$37,650	\$927.50 + 15%	\$9,275
	\$37,650	\$91,150	\$5,183.75 + 25%	\$37,650
	\$91,150	\$190,150	\$18,558.75 + 28%	\$91,150
	\$190,150	\$413,350	\$46,278.75 + 33%	\$190,150
	\$413,350	\$415,050	\$119,934.75 + 35%	\$413,350
	\$415,050	–	\$120,529.75 + 39.6%	\$415,050
Estates and Trusts:	\$0	\$2,550	\$0 + 15%	\$0
	\$2,550	\$5,950	\$382.50 + 25%	\$2,550
	\$5,950	\$9,050	\$1,232.50 + 28%	\$5,950
	\$9,050	\$12,400	\$2,100.50 + 33%	\$9,050
	\$12,400	–	\$3,206 + 39.6%	\$12,400

ALTERNATIVE MINIMUM TAX EXEMPTION AMOUNTS

	2015	2016
Married Filing Jointly	\$83,400	\$83,800
Single	\$53,600	\$53,900
Married Filing Separately	\$41,700	\$41,900
Head of Household	\$53,600	\$53,900

KIDDIE TAX (Under Age 19 With Unearned Income)²

	2015	2016	Income Tax Bracket
First	\$1,050	\$1,050	No Tax
Next	\$1,050	\$1,050	Child's Bracket
Amounts Over	\$2,100	\$2,100	Parent's Bracket

STANDARD DEDUCTIONS

	2015	2016
Married Filing Jointly	\$12,600	\$12,600
Single	\$6,300	\$6,300
Married Filing Separately	\$6,300	\$6,300
Head of Household	\$9,250	\$9,300

ITEMIZED DEDUCTION PHASEOUT		2015	2016
Married Filing Jointly		\$309,900	\$311,300
Single		\$258,250	\$259,400
Married Filing Separately		\$154,950	\$155,650
Head of Household		\$284,050	\$285,350
PERSONAL EXEMPTION		2015	2016
Personal Exemption		\$4,000	\$4,050
Phaseout Income Range: Married Filing Jointly		\$309,900 – \$432,400	\$311,300 – \$433,800
Phaseout Income Range: Single		\$258,250 – \$380,750	\$259,400 – \$381,900
Phaseout Income Range: Married Filing Separately		\$154,950 – \$216,200	\$155,650 – \$216,900
Phaseout Income Range: Head of Household		\$284,050 – \$406,550	\$285,350 – \$407,850
NET INVESTMENT INCOME TAX THRESHOLDS (3.8% MEDICARE SURCHARGE)		2015	2016
Married Filing Jointly		\$250,000	Same as Previous Year
Married Filing Separately		\$125,000	
Any Other Filing Status		\$200,000	
MEDICARE TAX THRESHOLDS (0.9% ADDITIONAL TAX ON EARNED INCOME)		2015	2016
Married Filing Jointly		\$250,000	Same as Previous Year
Married Filing Separately		\$125,000	
Any Other Filing Status		\$200,000	
QUALIFIED PLANS		2015	2016
Maximum elective deferral to retirement plans (e.g., 401(k), 403(b) & 457(b) plans) ³		\$18,000	Same as Previous Year
401(k) age 50+ catch-up contribution limit		\$6,000	
Maximum IRA contribution limit		\$5,500	
IRA age 50+ catch-up contribution limit		\$1,000	
Maximum elective deferral to SIMPLE plan		\$12,500	
SIMPLE plan age 50+ catch-up contribution limit		\$3,000	
Annual includable compensation limit		\$265,000	
Defined contribution plan annual addition limit		\$53,000	
Highly compensated employee compensation limit		\$120,000	
Annual retirement benefit limit under defined benefit plans (not to exceed 100% of compensation)		\$210,000	
ROTH IRA INCOME LIMITS FOR CONTRIBUTIONS		2015	2016
Married Filing Jointly		\$183,000 – \$193,000	\$184,000 – \$194,000
Single, Head of Household, or Married Filing Separately ⁴		\$116,000 – \$131,000	\$117,000 – \$132,000
CAPITAL GAINS TAX		2015	2016
Capital gains on collectibles		28%	Same as Previous Year
Rates on gains for assets (other than collectibles and small business stock) held more than 12 months*			
15% income tax bracket or below		0%	
35% income tax bracket or below		15%	
39.6% income tax bracket		20%	

* Qualified Dividends are taxed the same as capital gains

CORPORATIONS (FOR ALL TAX YEARS SINCE 1993)

If Taxable Income Is:

Over	But Not Over	The Tax Is	Of the Amount Over
\$0	\$50,000	\$0 + 15%	\$0
\$50,000	\$75,000	\$7,500 + 25%	\$50,000
\$75,000	\$100,000	\$13,750 + 34%	\$75,000
\$100,000	\$335,000	\$22,250 + 39%	\$100,000
\$335,000	\$10,000,000	\$113,900 + 34%	\$335,000
\$10,000,000	\$15,000,000	\$3,400,000 + 35%	\$10,000,000
\$15,000,000	\$18,333,333	\$5,150,000 + 38%	\$15,000,000
\$18,333,333	–	\$6,416,667 + 35%	\$18,333,333

ESTATE & GIFT TAXES 2016

Subtract applicable estate tax exemption (below) to calculate estate tax.

If Taxable Estate Is:

Over	But Not Over	The Tax Is	Of the Amount Over	
\$0	\$10,000	\$0 + 18%	\$0	TAX EXEMPTIONS FOR 2016 Annual Gift Tax Exclusion: Individual donor may gift \$14,000 per donee Gift Tax Exemption: \$5,450,000 Estate and Generation-Skipping Transfer Tax Exemption: \$5,450,000 Annual Gift Tax Exclusion for a Non-Citizen Spouse: \$148,000 Maximum Gift Tax Rate: 40%
\$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	

SCHEDULED ESTATE TAX RATES AND EXEMPTIONS

Year	Top Estate Tax Rate	Estate Tax Exemption	Applicable Credit
2002	50%	\$1 million	\$345,800
2003	49%	\$1 million	\$345,800
2004	48%	\$1.5 million	\$555,800
2005	47%	\$1.5 million	\$555,800
2006	46%	\$2 million	\$780,800
2007	45%	\$2 million	\$780,800
2008	45%	\$2 million	\$780,800
2009	45%	\$3.5 million	\$1,455,800
2010	0%* / 35%	\$0* / \$5 million	\$0* / \$1,730,800
2011	35%	\$5 million	\$1,730,800
2012	35%	\$5.12 million	\$1,772,800
2013	40%	\$5.25 million	\$2,045,800
2014	40%	\$5.34 million	\$2,081,800
2015	40%	\$5.43 million	\$2,117,800
2016	40%	\$5.45 million	\$2,125,800

SOCIAL SECURITY BENEFITS**2015****2016****Maximum Annual Earnings
Before Social Security Benefits Are Reduced**

Before Full Retirement Age (lose \$1 for every \$2 of earnings)	\$15,720	Same as Previous Year
Year of Full Retirement Age (lose \$1 for every \$3 of earnings)	\$41,880	
After Full Retirement	No Limit	

FICA INCOME LIMITS**2015****2016****Maximum Compensation Subject to FICA Taxes**

OASDI (Old-Age, Survivors and Disability Insurance; Soc. Sec maximum)	\$118,500	Same as Previous Year
HI (Hospital Insurance; Medicare maximum)	No Limit	

LONG-TERM CARE**2015****2016****Periodic Payments Received Under Qualified Long-Term Care Insurance Contracts or Under Certain Life Insurance Contracts**

Per Diem Limit	\$330	\$340
Deduction for Eligible Long-Term Care Premiums per IRC 213(d)(10)		
Age 40 or less	\$380	\$390
Over age 40 but not more than 50	\$710	\$730
Over age 50 but not more than 60	\$1,430	\$1,460
Over age 60 but not more than 70	\$3,800	\$3,900
More than 70	\$4,750	\$4,870

* Tax consequences of a death during 2010 depend upon elections that are available only to such estates. The executor of such estates may elect (1) carryover basis of assets received from the decedent and an estate tax rate of 0%, or (2) stepped-up basis and estate taxation at the levels in effect in 2011 (e.g., top rate of 35%, exemption of \$5M, and an applicable credit of \$1,730,800).

For additional information, please contact your local John Hancock Representative or call the Advanced Markets Group at (888) 266-7498, option 3.

1. The rates listed are for the regular income tax. Some taxpayers may be subject to the Alternative Minimum Tax (AMT) instead; every taxpayer is responsible for paying the higher of the regular income tax or the AMT.
2. The Small Business and Work Opportunity Act of 2008 changed the "kiddie tax" age to include children ages 18 and under. In addition, the kiddie tax applies to children ages 19–24: 1) who are full-time students, 2) whose earned income does not exceed one-half of their support, and 3) who do not file a joint tax return.
3. The contribution limit is the same for regular and Roth 401(k) plans; a total of \$18,000 can be contributed in 2016 to one or both types of 401(k) plans.
4. The income eligibility for taxpayers who are married filing separately only applies if the individual taxpayer contributing to the IRA did not live with his/her spouse at any time during the year. If they did live together at any time during the year, then the taxpayer's adjusted gross income (AGI) must be \$10,000 or less to contribute to a Roth IRA. See IRS Publication 590.

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LIFE-5318 1/16 MLINY120315025

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