

PLANNING BY THE NUMBERS: UPDATES FOR 2017

Are you ready to get started on your 2017 tax planning? Here are the numbers to use to take full advantage of retirement and other tax-advantaged savings.

- If you're under full retirement age, the social security earnings limit is \$16,920. That means if you collect benefits before your full retirement age and earn more than \$16,920 in 2017, your benefits will be reduced. After you reach full retirement age, your benefits will be recalculated to give you credit for the reduction. Once you reach full retirement age there is no earnings limit.

- The "nanny tax" threshold is \$2,000 for 2017. If you pay household workers more than \$2,000 during the year, you're responsible for payroll taxes.

- The "kiddie tax" threshold is unchanged for 2017. If you have children under age 19 who have more than \$2,100 of unearned income such as dividends and interest income during the year, the excess could be taxed at your highest rate. The threshold also applies to full-time students under age 24.

- The maximum individual retirement account contribution you can make in 2017 is \$5,500 if you're under age 50 and \$6,500 if you are 50 or older.

- For 2017, the maximum amount of wages you can contribute to your 401(k) plan is \$18,000, and the maximum allowed for SIMPLE plans is \$12,500. If you are 50 or older, you can contribute up to \$24,000 to a 401(k) and \$15,500 to a SIMPLE.

- For 2017, the maximum amount you can contribute to a health savings account is \$3,400 for individuals and \$6,750 for families. If you'll turn 55 this year, or are already age 55 or older, you can make an additional \$1,000 catch-up contribution.

New tax rules could change these and other tax numbers at any time. Before making important business and personal financial decisions this year, contact us for the latest updates.