

Allianz Life Insurance Company of North America

Allianz Life Insurance Company of New York

2019 TAX SUMMARY

FEDERAL INCOME TAX RATES

Taxable income between:

Single¹	
\$0-\$9,700	10%
\$9,700-\$39,475	12%
\$39,475-\$84,200	22%
\$84,200-\$160,725	24%
\$160,725-\$204,100	32%
\$204,100-\$510,300	35%
Over \$510,300	37%
Married, filing jointly¹	
\$0-\$19,400	10%
\$19,400-\$78,950	12%
\$78,950-\$168,400	22%
\$168,400-\$321,450	24%
\$321,450-\$408,200	32%
\$408,200-\$612,350	35%
Over \$612,350	37%
Head of household (HOH)¹	
\$0-\$13,850	10%
\$13,850-\$52,850	12%
\$52,850-\$84,200	22%
\$84,200-\$160,700	24%
\$160,700-\$204,100	32%
\$204,100-\$510,300	35%
Over \$510,300	37%
Married, filing separately¹	
\$0-\$9,700	10%
\$9,700-\$39,475	12%
\$39,475-\$84,200	22%
\$84,200-\$160,725	24%
\$160,725-\$204,100	32%
\$204,100-\$306,175	35%
Over \$306,175	37%
Estates and trusts¹	
\$0-\$2,600	10%
\$2,600-\$9,300	24%
\$9,300-\$12,750	35%
Over \$12,750	37%
Standard deduction¹	
Single	\$12,200
Married, filing jointly	\$24,400
Head of household	\$18,350
Married, filing separately	\$12,200

Additional standard deduction for taxpayers who are age 65 or older, or who are blind: \$1,300 for married; \$1,650 for unmarried and not a surviving spouse.¹

Kiddie tax exemption¹

\$2,200

A “kiddie” is under age 18; or age 18 provided child’s earned income does not exceed ½ of his/her support; or ages 19-23 if full-time student and earned income does not exceed ½ of support. Unearned income uses trust rates.

Rates for long-term capital gains and qualified dividends^{1,2}

	Individuals	Head of Household	Married, filing jointly	Married, filing separately	Estates and trusts
0%	\$0-\$39,375	\$0-\$52,750	\$0-\$78,750	\$0-\$39,375	\$0-\$2,650
15%	\$39,375-\$434,550	\$52,750-\$461,700	\$78,750-\$488,850	\$39,375-\$244,425	\$2,650-\$12,950
20%	Over \$434,550	Over \$461,700	Over \$488,850	Over \$244,425	Over \$12,950
28%	Collectibles				

3.8% Medicare surtax thresholds³

Single or HOH	\$200,000
Married, filing jointly	\$250,000
Married, filing separately	\$125,000
Estates and trusts ^{1,3}	\$12,750

The tax is assessed on the lesser of the amount of income over the threshold or the amount of net investment income.

IRA⁴

IRA contribution (under age 50)	\$6,000
IRA contribution (50 and older) ¹⁵	\$7,000
Single or HOH phaseout	\$64,000-\$74,000
Married, filing jointly	\$103,000-\$123,000
Married, filing separately	\$0-\$10,000
Spousal IRA	\$193,000-\$203,000

Phase-out of Roth IRA contribution eligibility⁴

Single phase out	\$122,000-\$137,000
Married, filing jointly	\$193,000-\$203,000
Married, filing separately	\$0-\$10,000

SEP^{4, 11}

SEP contribution	Up to 25% of compensation (limit \$56,000)	Individual 401(k) ⁴	Up to 25% of compensation
Minimum compensation participant	\$600	Employer contribution	
SIMPLE⁴		Employee salary deferral (under 50)	\$19,000
SIMPLE elective deferral (under age 50)	\$13,000	Employee salary deferral (50 and older)	\$25,000
SIMPLE elective deferral (50 and older)	\$16,000	Total employer and employee	\$56,000 (\$62,000 age 50 and older)

Other qualified plans⁴

401(k), 403(b), ⁵ governmental 457(b), ⁶ and SARSEP elective deferral (under age 50)	\$19,000
401(k), 403(b), ⁵ governmental 457(b), ⁶ and SARSEP elective deferral (age 50 and older)	\$25,000
Limit on additions to defined contribution plans	\$56,000
Annual benefit limit on defined benefit plans	\$225,000
Highly compensated employee makes	\$125,000
Maximum compensation taken into account for qualified plans	\$280,000
HSA contribution individual coverage ¹²	\$3,500
HSA contribution family coverage ¹²	\$7,000

¹ Rev. Proc. 2018-57.

² IRC Sec. 1(j)(1)(2),(4),(5)(B).

³ IRC Sec. 1411.

⁴ IR-2018-211.

⁵ Additional catch-up contributions may be available for 403(b) participants with 15 or more years of service. Treas. Reg. 1.403(b)-4(c)(3).

FEDERAL GIFT AND ESTATE TAX¹

Gift tax annual exclusion	\$15,000
Annual exclusion for gift to noncitizen spouse	\$155,000
Highest estate and gift tax rate ¹⁴	40%
Unified estate and gift tax credit amount ¹	\$11,400,000
Generation-skipping transfer tax exclusion ¹	\$11,400,000

Unused credit can pass to the surviving spouse if decedent spouse elects on Form 706.

SOCIAL SECURITY

Maximum earnings (during working years) subject to payroll tax ⁷	\$132,900
Social Security payroll tax ⁷	Employees pay 7.65%
	Self-employed pay 15.30%

Additional 0.9% high-income payroll tax for wages in excess of¹⁰

Single or HOH	\$200,000
Married, filing jointly	\$250,000
Married, filing separately	\$125,000

Income⁸ (in retirement) causing Social Security benefits to be taxable⁹

Single or HOH	
Up to 50% taxable	\$25,000 MAGI
Up to 85% taxable	\$34,000 MAGI
Married, filing jointly	
Up to 50% taxable	\$32,000 MAGI
Up to 85% taxable	\$44,000 MAGI

Max earnings (from a job) between age 62 and full (normal) Social Security retirement age before Social Security benefits are reduced \$1 for every \$2 above \$17,640. For individuals who reach FRA in 2019, \$1 for every additional \$3 earned: \$46,920 up until first of month of birthday. Thereafter unlimited.⁷

LTC¹

Maximum premium amount allowed as a medical expense (deductible to extent all medical expenses exceed 10% AGI)

Age 40 or less	\$420
More than age 40 but not more than 50	\$790
More than age 50 but not more than 60	\$1,580
More than age 60 but not more than 70	\$4,220
More than age 70	\$5,270

EDUCATION

Student loan interest deduction ¹		\$2,500
Phase-out: ¹	Single	\$70,000-\$85,000
	Married, filing jointly	\$140,000-\$170,000
American Opportunity Tax Credit (Hope Scholarship Credit) ¹³		
Maximum \$2,500 (100% of first \$2,000 + 25% of next \$2,000 of eligible expenses)		
Phase-out: ¹³	Single	\$80,000-\$90,000
	Married, filing jointly	\$160,000-\$180,000
Lifetime learning credit ¹³		20% of qualified expenses up to \$10,000
Phase-out: ^{1,13}	Single or HOH	\$58,000-\$68,000
	Married, filing jointly	\$116,000-\$136,000

⁶ In last 3 years pre-retirement, governmental 457(b) participants may be able to increase elective deferral if needed to catch up on missed contributions. IRC Sec. 457(b)(3).

⁷ "2019 Social Security Changes," Fact Sheet, Social Security Administration.

⁸ Most income, including municipal bond interest, but only ½ of Social Security benefits.

⁹ IRC Sec. 86.

¹⁰ IRC Sec. 3101(b)(2).

¹¹ IRC Sec. 402 (h)(2).

¹² Rev. Proc. 2018-30.

¹³ IRC Sec. 25A (c)(i).

¹⁴ IRC Sec. 2001(c).

¹⁵ IRC 1(g), 63(c)(5)(A).

Unless otherwise noted, the source of data in the document is the Internal Revenue Code. Information is accurate at time of printing, January 2019.

2019 TAX SUMMARY

The required minimum distribution (RMD) for any year is calculated as the December 31 value of the prior year (plus the actuarial present value of any additional benefit provided within the annuity contract) divided by the RMD factor from the appropriate table.²

Uniform Lifetime Table³

For use by:

- Unmarried IRA owners
 - Married IRA owners whose spouses are not more than 10 years younger
 - Married IRA owners whose spouses are not the sole beneficiaries of their IRAs
- (For married IRA owners whose spouses are more than 10 years younger, use Joint Life Table from Treas. Reg. 1.401(a)(9) – 9, Q&A 3)

Single Life Expectancy Table⁴

Spouse beneficiary

IRA owner dies on/after Required Beginning Date (RBD): Beginning in the year following the year of the IRA owner's death, recalculate spouse beneficiary's single life expectancy each year while spouse beneficiary survives, using spouse beneficiary's age on birthday in that calendar year. If RMD would be less, spouse beneficiary would use IRA owner's term certain life expectancy. For that, use IRA owner's age attained on the birthday in the calendar year of IRA owner's death. Reduced by one for each passing year. (Note: Spouse beneficiary could instead roll over at IRA owner's death). **Death before RBD:** Same options as above, minus using IRA owner's term certain life expectancy, plus spouse beneficiary can delay until IRA owner would have turned age 70½, or spouse can defer all distributions as long as all funds are distributed in five years.

Nonspouse beneficiary

Death on/after RBD: Beneficiary uses beneficiary's own term certain life expectancy. For that, use the beneficiary's age attained on the birthday in the calendar year after the calendar year of IRA owner's death. Reduce by one for each passing year. If RMD would be less, beneficiary would use IRA owner's term certain life expectancy. For that, use IRA owner's attained age in the calendar year of IRA owner's death. Reduce by one for each passing year.

Death before RBD: Same options as above, minus using IRA owner's term certain life expectancy, or beneficiary can defer all distributions as long as all funds are distributed in five years.

No designated beneficiary

Death on/after RBD: Inheritor uses IRA owner's term certain life expectancy. For that, use IRA owner's age attained on the birthday in the calendar year of owner's death. Reduce by one for each passing year. **Death before RBD:** Distribute all within five years.

¹ Treas. Reg. 1.401(a)(9) – 9.

² Treas. Reg. 1.401(a)(9) – 6, Q&A 12, 1.401(a)(g) – 5.

³ Treas. Reg. 1.401(a)(9) – 5, Q&A 4.

⁴ Treas. Reg. 1.401(a)(9) – 5, Q&A 5.

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Uniform Lifetime Table¹ (for RMD purposes)

Age	Distribution period
70	27.4
71	26.5
72	25.6
73	24.7
74	23.8
75	22.9
76	22.0
77	21.2
78	20.3
79	19.5
80	18.7
81	17.9
82	17.1
83	16.3
84	15.5
85	14.8
86	14.1
87	13.4
88	12.7
89	12.0
90	11.4
91	10.8
92	10.2
93	9.6
94	9.1
95	8.6
96	8.1
97	7.6
98	7.1
99	6.7
100	6.3
101	5.9
102	5.5
103	5.2
104	4.9
105	4.5
106	4.2
107	3.9
108	3.7
109	3.4
110	3.1
111	2.9
112	2.6
113	2.4
114	2.1
115+	1.9

Single Life Expectancy Table¹

Age	Life expectancy	Age	Life expectancy
0	82.4	56	28.7
1	81.6	57	27.9
2	80.6	58	27.0
3	79.7	59	26.1
4	78.7	60	25.2
5	77.7	61	24.4
6	76.7	62	23.5
7	75.8	63	22.7
8	74.8	64	21.8
9	73.8	65	21.0
10	72.8	66	20.2
11	71.8	67	19.4
12	70.8	68	18.6
13	69.9	69	17.8
14	68.9	70	17.0
15	67.9	71	16.3
16	66.9	72	15.5
17	66.0	73	14.8
18	65.0	74	14.1
19	64.0	75	13.4
20	63.0	76	12.7
21	62.1	77	12.1
22	61.1	78	11.4
23	60.1	79	10.8
24	59.1	80	10.2
25	58.2	81	9.7
26	57.2	82	9.1
27	56.2	83	8.6
28	55.3	84	8.1
29	54.3	85	7.6
30	53.3	86	7.1
31	52.4	87	6.7
32	51.4	88	6.3
33	50.4	89	5.9
34	49.4	90	5.5
35	48.5	91	5.2
36	47.5	92	4.9
37	46.5	93	4.6
38	45.6	94	4.3
39	44.6	95	4.1
40	43.6	96	3.8
41	42.7	97	3.6
42	41.7	98	3.4
43	40.7	99	3.1
44	39.8	100	2.9
45	38.8	101	2.7
46	37.9	102	2.5
47	37.0	103	2.3
48	36.0	104	2.1
49	35.1	105	1.9
50	34.2	106	1.7
51	33.3	107	1.5
52	32.3	108	1.4
53	31.4	109	1.2
54	30.5	110	1.1
55	29.6	111+	1.0