

December 2018

Certain limitations and base amounts may be adjusted each year. Some of the adjustments are as follows:

	<u>2019</u>	<u>2018</u>	<u>2017</u>
401(k) deferral limit	\$19,000/*\$25,000	\$18,500/*24,500	\$18,000/*24,000
SIMPLEs	\$13,000/*16,000	\$12,500/*15,500	\$12,500/*15,500
IRAs	\$6,000/*7,000	\$5,500/*6,500	\$5,500/*6,500
Compensation limit for qualified plan & SEP	\$280,000	\$275,000	\$270,000
Defined contribution annual addition limitation	\$56,000	\$55,000	\$54,000
Employer deduction percentage limit	25%	25%	25%
Social Security wage base	\$132,900	\$128,400	\$127,200
Social Security tax rate – Employer & Employee	6.2%	6.2%	6.2%
Medicare wage base	Unlimited	Unlimited	Unlimited
Medicare tax rate - Employer	1.45%	1.45%	1.45%
Medicare tax rate - Employee	1.45%-2.35%**	1.45%-2.35%**	1.45%-2.35%**
Minnesota unemployment tax wage base	\$34,000	\$32,000	\$32,000
Social Security limit on outside earnings			
Under full retirement age	\$17,640	\$17,040	\$16,920
Retirement age or older	Unlimited	Unlimited	Unlimited
Automobile mileage rates			
Business miles	\$0.58	\$0.545	\$0.535
Charitable miles	\$0.14	\$0.14	\$0.14
Medical miles or moving miles	\$0.20	\$0.18	\$0.17
Health Savings Accounts Contribution Limits			
Self-coverage maximum	\$3,500	\$3,450	\$3,400
Family coverage maximum	\$7,000	\$6,900	\$6,750
Catch-up contribution if 55 or older	\$1,000	\$1,000	\$1,000
Estate			
Federal estate tax exemption	\$11,400,000+	\$11,180,000+	\$5,490,000+
MN estate tax exemption	\$2,700,000	\$2,400,000	\$2,100,000
Annual gift exclusion	\$15,000	\$15,000	\$14,000

\* Higher limit if you are at least 50 years old by the end of the year

\*\* Higher rate on wages in excess of \$200,000 (\$250,000 MFJ/\$125,000 MFS)

+ Plus Portability from deceased spouse (DSUEA)

If you have any questions, do not hesitate to call. Thank you for giving us the opportunity to serve you.