

2018 Tax Reference Guide

| Federal Income Tax Rates | |
|----------------------------------|----------|
| SINGLE FILERS | |
| Taxable Income | Tax Rate |
| \$0 – \$9,525 | 10% |
| \$9,525 – \$38,700 | 12% |
| \$38,700 – \$82,500 | 22% |
| \$82,500 – \$157,500 | 24% |
| \$157,500 – \$200,000 | 32% |
| \$200,000 – \$500,000 | 35% |
| Over \$500,000 | 37% |
| MARRIED FILING JOINTLY | |
| Taxable Income | Tax Rate |
| \$0 – \$19,050 | 10% |
| \$19,050 – \$77,400 | 12% |
| \$77,400 – \$165,000 | 22% |
| \$165,000 – \$315,000 | 24% |
| \$315,000 – \$400,000 | 32% |
| \$400,000 – \$600,000 | 35% |
| Over \$600,000 | 37% |
| MARRIED FILING SEPARATELY | |
| Taxable Income | Tax Rate |
| \$0 – \$9,525 | 10% |
| \$9,525 – \$38,700 | 12% |
| \$38,700 – \$82,500 | 22% |
| \$82,500 – \$157,500 | 24% |
| \$157,500 – \$200,000 | 32% |
| \$200,000 – \$300,000 | 35% |
| Over \$300,000 | 37% |
| HEAD OF HOUSEHOLD | |
| Taxable Income | Tax Rate |
| \$0 – \$13,600 | 10% |
| \$13,600 – \$51,800 | 12% |
| \$51,800 – \$82,500 | 22% |
| \$82,500 – \$157,500 | 24% |
| \$157,500 – \$200,000 | 32% |
| \$200,000 – \$500,000 | 35% |
| Over \$500,000 | 37% |
| TRUSTS AND ESTATES | |
| Taxable Income | Tax Rate |
| \$0 – \$2,550 | 10.0% |
| \$2,550 – \$9,150 | 24.0% |
| \$9,150 – \$12,500 | 35.0% |
| Over \$12,500 | 37.0% |

| Standard Deductions | | |
|---------------------------|----------|----------|
| | 2017 | 2018 |
| Single | \$6,350 | \$12,000 |
| Married Filing Jointly | \$12,700 | \$24,000 |
| Married Filing Separately | \$6,350 | \$12,000 |
| Head of Household | \$9,350 | \$18,000 |
| Personal Exemption | \$4,050 | N/A |
| Kiddie Tax | \$1,050 | * |

*In 2018, the "kiddie tax" on net unearned income is determined based on the ordinary and capital gains tax rates that apply to trusts and estates.

| Capital Gains & Dividends | | |
|---------------------------|---------------------|------|
| CAPITAL GAINS & DIVIDENDS | | |
| | Income Tax Bracket | Rate |
| Single | \$0 - 38,600 | 0% |
| | \$38,600 - 425,800 | 15% |
| | \$425,800 and above | 20% |
| Married (joint) | \$0 - 77,200 | 0% |
| | \$77,201 - 479,000 | 15% |
| | \$479,001 and above | 20% |

| UNEARNED INCOME MEDICARE CONTRIBUTION TAX | | |
|--|-------------------------|------|
| 3.8% surtax applied to lower of Net Investment Income or MAGI over threshold | | |
| Filing Status | MAGI | Rate |
| Single / Head of Household | \$200,000+ | 3.8% |
| Married Filing Jointly / Separately | \$250,000+ / \$125,000+ | 3.8% |
| Trusts & Estates | \$6,300 | 3.8% |

| FICA Tax Rates | | |
|--------------------------|---------------|----------|
| | Self-Employed | Employee |
| OASDI (Social Security) | 12.4% | 6.2% |
| HI (Medicare) | 2.9% | 1.45% |
| Additional Medicare Tax* | 0.9% | 0.9% |

*The additional Medicare tax applied to wages and self-employment income above the following thresholds:

| Filing Status: | Wages or Self-Employment Income above the MAGI Threshold: |
|--------------------|---|
| Married-Jointly | Greater than \$250,000 |
| Married-Separately | Greater than \$125,000 |
| Others | Greater than \$200,000 |

| Social Security | | |
|--|--------------------------|--------------------------|
| | 2017 | 2018 |
| TAXABLE WAGE BASE | | |
| Social Security (OASDI) | \$127,200 | \$128,400 |
| Medicare (HI only) | No limit | No limit |
| RETIREMENT EARNING TEST | | |
| Under full retirement age | \$16,920/yr (\$1,410/mo) | \$17,040/yr (\$1,420/mo) |
| Note: One dollar in benefits will be withheld for every \$2 in earnings above the limit. | | |
| Year reaching full retirement age | \$44,880/yr (\$3,740/mo) | \$45,360/yr (\$3,780/mo) |
| Note: Applies only to earnings for months prior to attaining full retirement age. One dollar in benefits will be withheld for every \$3 in earnings above the limit. | | |
| TAXABILITY OF BENEFITS (Based on Provisional Income and Filing Status) | | |
| | Individual | Married Filing Jointly |
| Not taxable | Less than \$25,000 | Less than \$32,000 |
| Up to 50% taxable | \$25,000 - \$34,000 | \$32,000 - \$44,000 |
| Up to 85% taxable | Greater than \$34,000 | Greater than \$44,000 |
| Married Filing Separately | | |
| Up to 85% of benefits are taxable | | |
| Provisional income = Adjusted Gross Income + Non-taxable Income + 1/2 Social Security Benefit | | |
| AGE TO RECEIVE FULL BENEFITS | | |
| Year of Birth | Full Retirement | % Reduced at Age 62 |
| 1943-1954 | 66 | 25.00% |
| 1955 | 66 & 2 months | 25.83% |
| 1956 | 66 & 4 months | 26.67% |
| 1957 | 66 & 6 months | 27.50% |
| 1958 | 66 & 8 months | 28.33% |
| 1959 | 66 & 10 months | 29.17% |
| 1960 & later | 67 | 30.00% |
| AGE TO RECEIVE FULL BENEFITS | | |
| Year of Birth | Yearly Rate of Increase | |
| 1943 or later | 8.0% | |
| Accrues when you reach full retirement age until you start receiving benefits or reach age 70. | | |

| Alternative Minimum Tax | | |
|---|----------------|----------------|
| Taxpayers are subject to an "alternative minimum tax" (AMT) instead of the regular income tax when they have substantial "preference income." This is income that is treated favorably under the regular income tax. Basically, the taxpayer must pay whichever tax is higher—the regular tax or the AMT. | | |
| Filing Status | 2017 Exemption | 2018 Exemption |
| Single or head of household | \$54,300 | \$70,300 |
| Married filing jointly | \$84,500 | \$109,400 |
| Married filing separately | \$42,250 | \$54,700 |
| The exemption amounts are phased out for higher income taxpayers. | | |
| AMT Income in Excess of Exemption 2017 / 2018 | AMT Rate | |
| First \$187,800 / \$191,500* | 26% | |
| Above \$187,800 / \$191,500 | 28% | |
| *\$93,900 / \$95,750 for married persons filing separately | | |



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| Max Deduction for Student Loan Interest | | |
|---|-----------------------|-----------------------|
| The maximum deduction for student loan interest is \$2,500. The deduction is phased out as follows: | | |
| | 2017 | 2018 |
| Phase-out on single return | \$65,000 - \$80,000 | \$65,000 - \$80,000 |
| Phase-out on joint return | \$135,000 - \$165,000 | \$135,000 - \$165,000 |

| Education Incentives | |
|---|-----------------------|
| 2018 | |
| PHASE-OUTS FOR AMERICAN OPPORTUNITY CREDIT/HOPE SCHOLARSHIP CREDIT | |
| Married Filing Jointly | \$160,000 - \$180,000 |
| Others | \$80,000 - \$90,000 |
| PHASE-OUTS FOR LIFETIME LEARNING CREDITS | |
| Married Filing Jointly | \$114,000 - \$134,000 |
| Others | \$57,000 - \$67,000 |
| PHASE-OUTS FOR EXCLUSION OF U.S. SAVINGS BOND INCOME | |
| Married filing jointly | \$119,550 - \$149,550 |
| Others | \$79,700 - \$94,700 |
| PHASE-OUTS FOR COVERDELL EDUCATION SAVINGS ACCOUNTS | |
| Maximum Contribution of \$2,000 | |
| Married filing jointly | \$190,000 - \$220,000 |
| Others | \$95,000 - \$110,000 |
| 529 PLAN CONTRIBUTIONS | |
| \$15,000 per year per child before gift tax | |
| Accelerate 5 years of gifting into 1 year per individual per couple | \$75,000 \$150,000 |

| Charitable Contribution Deductions | | |
|--|-------------------------------|------------------------------------|
| Type of Property Contributed | Deemed Amount of Contribution | Percentage Limitation ¹ |
| Cash | Actual dollar amount | 60% |
| Appreciated ordinary income property ² or appreciated short-term capital gain property ³ | Donor's tax basis | 50% |
| Appreciated long-term capital gain property ⁴ | | |
| (a) General rule | Fair market value | 30% |
| (b) Election made to reduce amount of contribution | Donor's tax basis | 50% |
| (c) Tangible personal property put to unrelated use by donee charity | Donor's tax basis | 50% |

¹ The applicable "percentage limitation" applies to the donor's contribution base, which is the donor's adjusted gross income (AGI) determined without regard to any net operating loss carryback. The limitation is applied on an annual basis. Any deductible contributions that exceed the current year's limitations may be carried over and deducted in the five succeeding tax years, subject to the percentage limitations in those years.

² "Ordinary income property" is property that would produce ordinary income if sold by the individual.

³ "Short-term capital gain property" is property that would produce short-term capital gain if sold by the individual.

⁴ "Long-term capital gain property" is property that would produce long-term capital gain if sold by the individual.

| Gift & Estate Tax | | |
|---------------------------------|--|--------------|
| | 2017 | 2018 |
| Annual gift tax exclusion | \$14,000 | \$15,000 |
| Unified credit exemption | \$5,490,000 | \$11,200,000 |
| Gift to non-citizen spouse | \$149,000 | \$152,000 |
| Highest estate tax bracket | 40% | 40% |
| States with Separate Estate Tax | CT, DC, HI, IL, MA, MD, ME, MN, NJ, NY, OR, RI, VT, WA | |
| States with Inheritance Tax | IA, KY, MD, NE, NJ, PA | |
| Community Property States | AK,* AZ, CA, ID, LA, NM, NV, TX, WA, WI | |

*Opt-in community property state

| Gift & Estate Unified Tax Rates | | | |
|---------------------------------|-------------|-----|----------------|
| Gift Amount | Flat Amount | + % | Of Excess Over |
| Less than \$10,000 | \$0 | 18% | \$0 |
| \$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 |



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| Traditional IRA & Roth IRA | | |
|--|-----------------------|-----------------------|
| | 2017 | 2018 |
| IRA-ROTH IRA CONTRIBUTION LIMIT | | |
| Contribution Limit | \$5,500 | \$5,500 |
| 50 + Catch-up | \$1,000 | \$1,000 |
| TRADITIONAL IRA DEDUCTIBILITY PHASE-OUT BASED ON MAGI | | |
| Active participants in employer plans | | |
| Married -Jointly | \$99,000 - \$119,000 | \$101,000 - \$121,000 |
| Married -Separately | \$0 - \$10,000 | \$0 - \$10,000 |
| All Others | \$62,000 - \$72,000 | \$63,000 - \$73,000 |
| Nonparticipant married to a participant | \$186,000 - \$196,000 | \$189,000 - \$199,000 |
| Neither spouse a participant | Fully deductible | Fully deductible |
| ROTH IRA PHASE-OUT BASED ON MAGI | | |
| Married -Jointly | \$186,000 - \$196,000 | \$189,000 - \$199,000 |
| Married -Separately | \$0 - \$10,000 | \$0 - \$10,000 |
| All Others | \$118,000 - \$133,000 | \$120,000 - \$135,000 |

| Qualified Plans | | |
|---|-----------|-----------|
| | 2017 | 2018 |
| 401k, 403(b), 457(b) salary deferral | \$18,000 | \$18,500 |
| 50+ Catch-up | \$6,000 | \$6,000 |
| SIMPLE salary deferral | \$12,500 | \$12,500 |
| 50+ Catch-up | \$3,000 | \$3,000 |
| Maximum annual additions in a defined contribution plan | \$54,000 | \$55,000 |
| Maximum annual benefit in a defined benefit plan | \$215,000 | \$220,000 |
| Maximum compensation considered | \$270,000 | \$275,000 |
| Highly compensated employee | \$120,000 | \$120,000 |
| Maximum QLAC | \$125,000 | \$130,000 |
| Special catch-up rules apply to certain 403(b) contributors who have 15 or more years of service and to governmental 457(b) participants who are in their last 3 years before retirement. | | |

| Uniform Life Table | | | | | | |
|---|---------|-----------|-----|---------|-----------|--|
| REQUIRED MINIMUM DISTRIBUTIONS | | | | | | |
| The Uniform Life Table is used to calculate lifetime required minimum distributions (RMDs) from qualified retirement plans, including 401(k) and 403(b) plans, and IRAs. To use this table, owners must be unmarried, married with a spouse who is not more than 10 years younger, or married with a spouse who is not the sole beneficiary of the account. | | | | | | |
| Age | Divisor | % Account | Age | Divisor | % Account | |
| 70 | 27.4 | 3.65 | 86 | 14.1 | 7.09 | |
| 71 | 26.5 | 3.77 | 87 | 13.4 | 7.46 | |
| 72 | 25.6 | 3.91 | 88 | 12.7 | 7.87 | |
| 73 | 24.7 | 4.05 | 89 | 12.0 | 8.33 | |
| 74 | 23.8 | 4.20 | 90 | 11.4 | 8.77 | |
| 75 | 22.9 | 4.37 | 91 | 10.8 | 9.26 | |
| 76 | 22.0 | 4.55 | 92 | 10.2 | 9.80 | |
| 77 | 21.2 | 4.72 | 93 | 9.6 | 10.42 | |
| 78 | 20.3 | 4.93 | 94 | 9.1 | 10.99 | |
| 79 | 19.5 | 5.13 | 95 | 8.6 | 11.63 | |
| 80 | 18.7 | 5.35 | 96 | 8.1 | 12.35 | |
| 81 | 17.9 | 5.59 | 97 | 7.6 | 13.16 | |
| 82 | 17.1 | 5.85 | 98 | 7.1 | 14.08 | |
| 83 | 16.3 | 6.13 | 99 | 6.7 | 14.93 | |
| 84 | 15.5 | 6.45 | 100 | 6.3 | 15.87 | |
| 85 | 14.8 | 6.76 | 101 | 5.9 | 16.95 | |

| Health Savings Accounts | | | |
|-------------------------------------|--------------------|--------------------|--|
| | 2017 | 2018 | |
| CONTRIBUTION LIMITS | | | |
| Single / Family | \$3,400 / \$6,750 | \$3,450 / \$6,900 | |
| Age 55+ Catch-up | \$1,000 | \$1,000 | |
| HIGH DEDUCTIBLE HEALTH PLANS | | | |
| Minimum Deductible Single/Family | \$1,300 / \$2,600 | \$1,350 / \$2,700 | |
| Maximum Out of Pocket Single/Family | \$6,550 / \$13,100 | \$6,650 / \$13,300 | |

| Single Life "Inherited" Table | | | | | |
|--|--------|-----|--------|-----|--------|
| REQUIRED MINIMUM DISTRIBUTIONS | | | | | |
| The Single Life "Inherited" Table is used to calculate the RMD for individuals who inherit accounts. | | | | | |
| Age | Factor | Age | Factor | Age | Factor |
| 35 | 48.5 | 52 | 32.3 | 69 | 17.8 |
| 36 | 47.5 | 53 | 31.4 | 70 | 17.0 |
| 37 | 46.5 | 54 | 30.5 | 71 | 16.3 |
| 38 | 45.6 | 55 | 29.6 | 72 | 15.5 |
| 39 | 44.6 | 56 | 28.7 | 73 | 14.8 |
| 40 | 43.6 | 57 | 27.9 | 74 | 14.1 |
| 41 | 42.7 | 58 | 27.0 | 75 | 13.4 |
| 42 | 41.7 | 59 | 26.1 | 76 | 12.7 |
| 43 | 40.7 | 60 | 25.2 | 77 | 12.1 |
| 44 | 39.8 | 61 | 24.4 | 78 | 11.4 |
| 45 | 38.8 | 62 | 23.5 | 79 | 10.8 |
| 46 | 37.9 | 63 | 22.7 | 80 | 10.2 |
| 47 | 37.0 | 64 | 21.8 | 81 | 9.7 |
| 48 | 36.0 | 65 | 21.0 | 82 | 9.1 |
| 49 | 35.1 | 66 | 20.2 | 83 | 8.6 |
| 50 | 34.2 | 67 | 19.4 | 84 | 8.1 |
| 51 | 33.3 | 68 | 18.6 | 85 | 7.6 |



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