



HILLIARD LYONS THE HOLLANDER GROUP

Working to Build Wealth and Secure Futures

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Business Succession Planning

How early should a business owner begin preparing for a transition?

We find that successful business owners most often begin thinking about the transition process up to ten years or more in advance. A business transition can be a complex process and it can take many forms. Successful execution hinges on fully understanding the options, clearly identifying the owner's goals, getting the right players involved, and knowing the necessary steps to ensure a seamless transition. Evaluating this information and deciding on an action plan does not typically happen overnight.

What should a business owner consider when contemplating a future business transition?

It is important to understand the market value of the business and how that value fits into the owner's retirement and/or estate goals. When owners understand early on the components of the business that drive this value, they have a greater opportunity to identify and implement value-enhancing strategies. Possessing an understanding of potential buyers - including obvious choices such as family members, partners, key employees, and competitors - and not-so-obvious choices such as private capital, is critical to crafting a comprehensive exit strategy.

FULL RETIREMENT AGE

If you were born in:	Your full retirement age is:
1943 - 1954	66
1955	66 and 2 months
1956	66 and 4 months
1957	66 and 6 months
1958	66 and 8 months
1959	66 and 10 months
1960 and later	67

MAXIMUM SOCIAL SECURITY RETIREMENT BENEFIT

\$2,663	if you reach FRA in 2015
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MEDICARE MONTHLY PREMIUMS

Part A	\$224.00 - \$407.00*
Part B	\$104.90 - \$335.70

* If less than 40 quarters; otherwise free if greater than or equal to 40 quarters.

PBGC MAXIMUM MONTHLY BENEFIT

\$5,011.33	At age 65
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AGES TO REMEMBER

	AGE	DON'T FORGET...
Eligible to tap tax-deferred savings without penalty for early withdrawal	59 1/2*	Federal income taxes will be due on pretax contributions and earnings
Eligible for early Social Security benefits	62	Taking benefits before full retirement age reduces each monthly payment
Eligible for Medicare	65	Contact Medicare 3 months before your 65th birthday
Full retirement age for Social Security	65 to 67, depending on when you were born	After full-retirement age, earned income no longer affects Social Security benefits

* Age 55 for distributions from employer plans upon termination of employment.

UNIFORM LIFETIME TABLE (PARTIAL)

Age of IRA owner or plan participant	Life expectancy (in years)	Age of IRA owner or plan participant	Life expectancy (in years)
70	27.4	86	14.1
71	26.5	87	13.4
72	25.6	88	12.7
73	24.7	89	12.0
74	23.8	90	11.4
75	22.9	91	10.8
76	22.0	92	10.2
77	21.2	93	9.6
78	20.3	94	9.1
79	19.5	95	8.6
80	18.7	96	8.1
81	17.9	97	7.6
82	17.1	98	7.1
83	16.3	99	6.7
84	15.5	100	6.3
85	14.8	101	5.9

ALTERNATIVE MINIMUM TAX (AMT)

	Exemption	Phaseout
Single	\$53,600	\$119,200
Married filing jointly	\$83,400	\$158,900
Married filing separately	\$41,700	\$79,450
Trusts & Estates	\$23,800	\$79,450

AMT RATES

26% up to \$185,400 of AMT base
28% over \$185,400 of AMT base

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2015 PLANNING INFORMATION

Capital Gains Rates

The rates on long-term capital gains and qualifying dividends remain the same: 0% for taxpayers in the 10% and 15% brackets; 15% for those in the 25% to 35% brackets; and 20% for those in the 39.6% bracket.

	2014 top rate 40%	2015 top rate 40%
Federal Estate Tax Exclusion	\$5,340,000	\$5,430,000

In 2015, the top rate remains unchanged at 40%.

Gift Tax Exclusion	\$14,000	\$14,000
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This is the amount an individual may gift to another individual without reporting it on a gift tax return. Married couples may gift \$28,000. A spouse may gift up to \$147,000 (up from \$145,000) to a non-citizen spouse.

Lifetime Gift Exclusion	\$5,430,000
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Retirement Plan Contribution Limits

	2014	2015
Annual compensation used to determine contribution for most plans	\$260,000	\$265,000
Defined-contribution plans, basic limit.....	\$52,000	\$53,000
Defined-benefit plans, basic limit.....	\$210,000	\$210,000
401(k) plans, 403(b) plans, 457(b) plans, elective deferrals	\$17,500	\$18,000
Catch-up provision for individuals 50 & over, 401(k), 403(b), 457(b)	\$5,500	\$6,000
SIMPLE plans, elective deferral limit	\$12,000	\$12,500
SIMPLE plans, catch-up contribution for individuals 50 & over.....	\$2,500	\$3,000
Roth 401(k) (if plan permits).....	\$17,500	\$18,000
Roth 401(k) catch-up contribution for individuals 50 & over.....	\$5,500	\$6,000

Individual Retirement Accounts

The maximum contribution for both traditional and Roth IRAs remains unchanged at \$5,500 in 2015. The catch-up contribution for individuals 50 and over stays at \$1,000.

Standard Deduction

	2014	2015
Married filing jointly and qualifying widow(er)s	\$12,400	\$12,600
Single or married filing separately.....	\$6,200	\$6,300
Head of household	\$9,100	\$9,250

Medicare Surtax

3.8% Tax on Lesser of Net Investment Income or Excess of MAGI Over

Single, head of household	\$200,000
Married filing jointly, qualifying widow(er).....	\$250,000
Married filing separately.....	\$125,000

Tax on Social Security Benefits

The income thresholds that determine whether or not Social Security benefits are taxable are not indexed for inflation and therefore remain the same every year. The formula is based on "combined income", also called "provisional income", which includes modified adjusted gross income (MAGI), plus on-half of the Social Security benefit, plus tax-exempt interest.

Combined Income (joint)	Combined Income (single)	Amount of Social Security subject to tax
Under \$32,000	Under \$25,000	0
Between \$32,000 & \$44,000	Between \$25,000 & \$34,000	Up to 50%
Over \$44,000	Over \$34,000	Up to 85%

How Working in 2015 may affect your Social Security Benefits

Age	Amount of Benefit Reduction
Under Full Retirement Age (FRA)	\$1 reduction for each \$2 in earnings over \$15,720.
Year of FRA	\$1 reduction for each \$3 in earnings over \$41,880 until the month you reach FRA.
FRA and Over	No reduction regardless of earnings.

MAGI Limits for Roth IRA Contributions in 2015

Filing Status	Full Contribution	Partial Contribution	No Contribution
Single, head of household	Less than \$116,000	\$116,000 - \$131,000	\$131,000 or more
Married filing jointly	Less than \$183,000	\$183,000 - \$193,000	\$193,000 or more
Married filing separately	N/A	Less than \$10,000	\$10,000 or more



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The Hollander Group is committed to working with you and your family while guiding you through the wealth management process. There is nothing automatic about prosperity. It requires a strategic vision, a well-thought-out plan, and years of deliberate and steady asset growth. As we work to structure, implement and evolve your personal wealth management plan, our partnership with your tax and legal professionals can prove invaluable.

2015 TAX RATES

MARRIED FILING JOINTLY / SURVIVING SPOUSES

If Taxable Income is Over	But Not Over	Tax Is	Plus	Of the Amount Over
\$0	\$18,450	\$0	10%	\$0
\$18,451	\$74,900	\$1,845.00	15%	\$18,450
\$74,901	\$151,200	\$10,312.50	25%	\$74,900
\$151,201	\$230,450	\$29,387.50	28%	\$151,200
\$230,451	\$411,500	\$51,577.50	33%	\$230,450
\$411,501	\$464,850	\$111,324.00	35%	\$411,500
\$464,851		\$129,996.50	39.6%	\$464,850

SINGLE TAXPAYERS

If Taxable Income is Over	But Not Over	Tax Is	Plus	Of the Amount Over
\$0	\$9,225	\$0	10%	\$0
\$9,226	\$37,450	\$922.50	15%	\$9,225
\$37,451	\$90,750	\$5,156.25	25%	\$37,450
\$90,751	\$189,300	\$18,481.25	28%	\$90,750
\$189,301	\$411,500	\$46,075.25	33%	\$189,300
\$411,501	\$413,200	\$119,401.25	35%	\$411,500
\$413,201		\$119,996.25	39.6%	\$413,200

HEADS OF HOUSEHOLDS

If Taxable Income is Over	But Not Over	Tax Is	Plus	Of the Amount Over
\$0	\$13,150	\$0	10%	\$0
\$13,151	\$50,200	\$1,315.00	15%	\$13,150
\$50,201	\$129,600	\$6,872.50	25%	\$50,200
\$129,601	\$209,850	\$26,722.50	28%	\$129,600
\$209,851	\$411,500	\$49,192.50	33%	\$209,850
\$411,501	\$439,000	\$115,737.00	35%	\$411,500
\$439,001		\$125,362.00	39.6%	\$439,000

MARRIED TAXPAYERS FILING SEPARATE RETURNS

If Taxable Income is Over	But Not Over	Tax Is	Plus	Of the Amount Over
\$0	\$9,225	\$0	10%	\$0
\$9,226	\$37,450	\$922.50	15%	\$9,225
\$37,451	\$75,600	\$5,156.25	25%	\$37,450
\$75,601	\$115,225	\$14,693.75	28%	\$75,600
\$115,226	\$205,750	\$25,788.75	33%	\$115,225
\$205,751	\$232,425	\$55,662.00	35%	\$205,750
\$232,426		\$64,998.25	39.6%	\$232,425

TRUSTS & ESTATES

If Taxable Income is Over	But Not Over	Tax Is	Plus	Of the Amount Over
\$0	\$2,500	\$0	15%	\$0
\$2,501	\$5,900	\$375.00	25%	\$2,500
\$5,901	\$9,050	\$1,225.00	28%	\$5,900
\$9,051	\$12,300	\$2,107.00	33%	\$9,050
\$12,301		\$3,179.50	39.6%	\$12,300

The information contained herein is not intended to be legal or tax advice. Consult a qualified tax advisor or attorney regarding specific circumstances.