

2023 quick reference tax planning guide

Retirement plans	
Elective deferrals 401(k), 403(b), 457, and SARSEPs	\$22,500
Catch-up contribution	\$7,500
Defined contribution (§415(c)(1)(A))	\$66,000
Defined benefit (§415(b)(1)(A))	\$265,000
SIMPLE plan	\$15,500
SIMPLE catch-up contribution	\$3,500
Maximum includible compensation	\$330,000
Highly compensated employee	
Look back to 2022	\$135,000
Look back to 2023	\$150,000
Key employee (top-heavy plan)	\$215,000
SEP participation limit	\$650
IRA or Roth IRA contribution limit	\$6,500
IRA or Roth IRA catch-up	\$1,000
IRA deduction phaseout for active participants	
Single	\$73,000-\$83,000
Married filing jointly	\$116,000-\$136,000
Married filing separately	\$0-\$10,000
Spousal IRA	\$218,000-\$228,000
Roth IRA phaseout	
Single	\$138,000-\$153,000
Married filing jointly	\$218,000-\$228,000

Social Security	
SS wage base	\$160,200
FICA tax rate—employee ¹	6.2%
SECA tax rate—self-employed	12.4%
Earnings limitation:	
Below FRA (\$1 for \$2)	\$21,240
Persons reaching FRA (\$1 for \$3)	\$56,520
(Applies only to earnings for months prior to attaining FRA)	
Social Security cost-of-living adjustment	8.7%
Quarter of coverage	\$1,640
Maximum benefit: worker retiring at FRA* ^{See FRA below}	\$3,627
Estimated average monthly benefit	\$1,827

Social Security FRA			
Year of birth	Social Security FRA	Year of birth	Social Security FRA
1943-54	66	1958	66 and 8 months
1955	66 and 2 months	1959	66 and 10 months
1956	66 and 4 months	1960 and later	67
1957	66 and 6 months		

Estate and gift tax	
Annual gift tax exclusion	\$17,000
Estate tax basic exclusion	\$12,920,000
Non-citizen spouse annual gift tax exclusion	\$175,000
Gift tax basic exclusion	\$12,920,000
Generation skipping exemption ²	\$12,920,000
Maximum estate tax rate ³	40%

Standard mileage rates	
Business use	62.5¢ per mile
Charitable use (not indexed)	14¢ per mile
Medical or moving use	22¢ per mile

Medicare	
Monthly premium:	
Part A ⁴	\$506.00
Part B ^{*See Figure 1}	\$164.90
Part A:	
First 60 days—patient pays a deductible	\$1,600
Next 30 days—patient pays per day	\$400
Next 60 days (lifetime reserve days) patient pays per day	\$800
Skilled nursing benefits	
First 20 days—patient pays per day	-0-
Next 80 days—patient pays per day	\$200
Over 100 days—patient pays per day	All costs
Part B:	
Deductible	\$226
Coinsurance	20%
Part D (Prescription Standard Benefit Model):	
Deductible	\$505
25% coinsurance on next	\$4,660
Out-of-pocket (OOP) threshold	\$7,400
Beneficiary then pays coinsurance amount for additional covered expenses.	

Medicare tax (additional payroll tax and unearned income contribution tax)	
Additional Medicare payroll tax (and self-employment tax)	0.90%
Applies to wages and self-employment income exceeding:	
Individuals	\$200,000
Married filing jointly	\$250,000
Married filing separately	\$125,000
Unearned income Medicare contribution tax	2.9%
Applies to lesser of (a) net investment income or (b) modified adjusted gross income exceeding (see income thresholds above)	

Figure 1 2023 Medicare Part B premium rates		
You pay	Modified adjusted gross income ⁵	
	Single	Married couple
\$164.90	\$97,000 or less	\$194,000 or less
\$230.80	\$97,001-\$123,000	\$194,001-\$246,000
\$329.70	\$123,001-\$153,000	\$246,001-\$306,000
\$428.60	\$153,001-\$183,000	\$306,001-\$366,000
\$527.50	\$183,001-\$500,000	\$366,001-\$750,000
\$560.50	\$500,001 and above	\$750,001 and above
You pay	If you are married but you file a separate tax return from your spouse and your yearly income is:	
\$164.90	\$97,000 or less	
\$527.50	\$97,001-\$403,000	
\$560.50	\$403,001 and above	

Health savings account	
Minimum deductible amount	
Single	\$1,500
Family	\$3,000
Maximum out-of-pocket amount	
Single	\$7,500
Family	\$15,000
HSA statutory contribution maximum	
Single	\$3,850
Family	\$7,750
Catch-up contributions (age 55 or older)	\$1,000

Tax on long-term capital gains and dividends	
Single	
Up to \$44,625	0%
\$44,626-\$492,300	15%
Over \$492,300	20%
Married filing jointly	
Up to \$89,250	0%
\$89,251-\$553,850	15%
Over \$553,850	20%
Heads of household	
Up to \$59,750	0%
\$59,751-\$523,050	15%
Over \$523,050	20%
Married filing separately	
Up to \$44,625	0%
\$44,626-\$276,925	15%
Over \$276,925	20%
Estates and Trusts	
Up to \$3,000	0%
\$3,001-\$14,650	15%
Over \$14,651	20%

*Full Retirement Age (FRA) benefits: www.ssa.gov/benefits/retirement/planner/agereduction.html

Investment and insurance products and services including annuities are:

NOT A DEPOSIT • NOT FDIC INSURED • MAY LOSE VALUE • NOT BANK GUARANTEED • NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY

[1] Important disclosures provided on page 2.

2023 tax rate schedules				
If taxable income is:		Then the gross tax payable is:		
Over	But not over	Amount	Plus (percent)	Of the amount over
Single taxpayers (other than surviving spouses and heads of households)				
\$0	\$11,000	10% of taxable income		
11,001	44,725	\$1,100	12%	\$11,000
44,726	95,375	5,147	22%	44,725
95,376	182,100	16,290	24%	93,375
182,101	231,250	37,104	32%	182,100
231,251	578,125	52,832	35%	231,250
578,126	—	174,238.25	37%	578,125
Heads of Households				
\$0	\$15,700	10% of taxable income		
15,701	59,850	\$1,570	12%	\$15,700
59,851	95,350	6,868	22%	59,850
95,351	182,100	14,678	24%	95,350
182,101	231,250	35,498	32%	182,100
231,251	578,100	51,226	35%	231,250
578,101	—	172,623.50	37%	578,100
Married individuals (and surviving spouses) filing joint returns				
\$0	\$22,000	10% of taxable income		
22,001	89,450	\$2,200	12%	\$22,000
89,451	190,750	10,294	22%	89,450
190,751	364,200	32,580	24%	190,750
364,201	462,500	74,208	32%	364,200
462,501	693,750	105,664	35%	462,500
693,751	—	186,601.50	37%	693,750
Married individuals filing separate returns				
\$0	\$11,000	10% of taxable income		
11,001	44,725	\$1,100	12%	\$11,000
44,726	95,375	5,147	22%	44,725
95,376	182,100	16,290	24%	95,375
182,101	231,250	37,104	32%	182,100
231,251	346,875	52,832	35%	231,500
346,876	—	93,300.75	37%	346,875
Fiduciary (estates and trusts) taxpayers				
\$0	\$2,900	10% of taxable income		
2,901	10,550	\$290	24%	\$2,900
10,551	14,450	2,126	35%	10,550
14,451	—	3,491	37%	14,450

Income tax exemptions, deductions, and credits	
Standard deduction	
Single	\$13,850
Married filing jointly	\$27,700
Head of household	\$20,800
Married filing separately	\$13,850
Kiddie tax limited standard deduction	\$1,250
Kiddie tax rate for investment income over \$2,500: Above \$2,500 - Parents marginal tax rate	
Elderly or blind additional deduction	
Single	\$1,850
Married	\$1,500
Section 179	
Maximum deduction	\$1,160,000
Adoption credit (nonrefundable)	
Maximum	\$15,950
Phaseout	\$239,230-\$279,230
Miscellaneous items	
PBGC maximum monthly benefit (at age 65)	\$6,750
LTC per diem limit	\$420
LTC premium as medical expense limitation	
Age 40 or under	\$480
Age 41-50	\$890
Age 51-60	\$1,790
Age 61-70	\$4,770
Age 71 or older	\$5,960
Qualified longevity annuity contract	Max \$155,000
Health care flexible spending account	Max \$3,050

Education	
EE bonds for education—exclusion phaseout	
Single	\$91,850-\$106,850
Married filing jointly	\$137,800-\$167,800
Coverdell education savings account (\$2,000 limit) phaseout	
Single	\$95,000-\$110,000
Married filing jointly	\$190,000-\$220,000
Lifetime learning credit—20% of qualified expenses up to \$10,000	
Single	\$80,000-\$90,000
Married filing jointly	\$160,000-\$180,000
American opportunity tax credit—maximum of \$2,500	
100% up to \$2,000 of qualified expenses	
25% on next \$2,000—phaseout:	
Single	\$80,000-\$90,000
Married filing jointly	\$160,000-\$180,000
Education loan deduction (\$2,500) phaseout	
Single	\$75,000-\$90,000
Married filing jointly	\$155,000-\$185,000

Alternative minimum tax (AMT)	Exemption	Phaseout
Single	\$81,300	\$578,150
Married filing jointly	\$126,500	\$1,156,300
Married filing separately	\$63,250	\$578,150
Trusts and estates	\$28,400	\$94,600

AMT rates
26% up to \$220,700* of AMT base
28% over \$220,700* of AMT base
*\$110,350 if married filing separately

¹ The FICA tax rate is comprised of two separate payroll taxes: Employer and employee portion—6.20% for Old-Age, Survivors, and Disability Insurance (OASDI), and 1.45% for Hospital Insurance (HI); For self-employed individuals, the SECA is 12.40% for OASDI and 2.90% for HI. Beginning in 2013, taxpayers pay an additional 0.9% HI if self-employment income or wages exceed \$250,000 married filing jointly, \$125,000 married filing separately, or \$200,000 single.

² The GST tax exemption is not portable.

³ A deceased spouse's unused credit amount is portable to a surviving spouse.

⁴ The Part A premium of \$506 per month applies to persons who have fewer than 30 quarters of coverage under Social Security. For those having 30-39 quarters, the Part A Premium is \$278 per month. Source: medicare.gov.

⁵ Modified Adjusted Gross Income is defined as Federal Adjusted Gross Income plus Tax-Exempt Interest.

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