

2013 Tax Guide



Retirement Plan Contribution Limits			
Annual compensation used to determine contribution for most plans			\$255,000
Defined contribution plans			\$51,000
Defined benefit plans			\$205,000
401(k), 403(b), 457(b) plans			\$17,500
Catch-up provision for individuals 50+			\$5,500
SIMPLE plans			\$12,000
SIMPLE plans - catch-up provision for individuals 50+			\$2,500
Roth 401(k)			\$17,500
Roth 401(k) - catch-up provision for individuals 50+			\$5,500
Maximum ESOP balance subject to 5 year distribution period			\$1,035,000
Individual Retirement Accounts			
IRA type	Contribution limit	Catch-up at 50+	Phaseouts
Non-deductible	\$5,500	\$1,000	None
Covered by qualified plan:			
			\$95,000 to \$115,000 joint
			\$59,000 to \$69,000 single, HOH
			\$10,000 MFS
If spouse covered by a plan:			
			\$178,000 to \$188,000 joint
			\$178,000 to \$188,000 joint
			\$112,000 to \$127,000 single, HOH
			\$0 to \$10,000 MFS
Roth	\$5,500	\$1,000	
Roth conversion			None
Medicare Premiums & Deductibles			
Part B premium			\$104.90
Part B deductible			\$147
Part A (inpatient services) deductible < 61 days of hospitalization		\$1,184	per benefit period
Part A deductible 61 - 90 days of hospitalization		\$296	per day
Part A deductible > 90 days of hospitalization		\$592	per day
Part B Premiums for High-Income Taxpayers			
MAGI single	MAGI joint	Part B premium	
< \$85,001	< \$170,001	\$146.90	
85,001 to \$107,000	\$170,001 to \$214,000	\$209.80	
\$107,001 to \$160,000	\$214,001 to \$320,000	\$272.80	
\$160,001 to \$214,000	\$320,001 to \$428,000	\$335.70	
> \$214,000	> \$428,000	\$319.70	

Social Security			
Benefits			
Full retirement age (FRA) if born between 1943 & 1954		66	
Maximum monthly benefit	\$2,533		
Retirement earnings exempt amounts	\$15,120 under FRA \$40,080 during yr. reach FRA No limit after FRA		
Tax (FICA)	% withheld	Maximum tax payable	
SS tax paid on income < \$113,700			
Employer pays	6.20%	\$7,049	
Employee pays	6.20%	\$7,049	
Self-employed pays	12.40%	\$14,098	
Medicare tax paid on all income			
Employer pays	1.45%	No maximum	
Employee pays	1.45%	No maximum	
Self-employed pays	2.90%	No maximum	
Social Security Taxes			
Filing status	AGI + provisional income*	Taxable portion	
Married filing jointly	< \$32,000	0%	
	\$32,001 to \$44,000	50%	
	> \$44,000	85%	
Single, HOH, MFS and living apart from spouse	< \$25,000	0%	
	\$25,001 to \$34,000	50%	
	> \$34,000	85%	
Married filing separately & living with spouse	> \$0	85%	
*Provisional income = tax-exempt interest + 50% of SS benefit			
Deductibility of Long-Term Care Premiums on Qualified Policies			
Attained age before close of tax yr.	Amount of LTC premiums that qualify as medical expenses		
40 or less	\$360		
41 to 50	\$680		
51 to 60	\$1,360		
61 to 70	\$3,640		
> 70	\$4,550		
Health Savings Accounts			
Annual limit	Max. deductible contribution	Deductible/Co-pay limits	Minimum annual deductible
Individuals	\$3,250	\$6,250	\$1,250
Families	\$6,450	\$12,500	\$2,500
Catch-up for 55+	\$1,000		

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2013 Tax Rate Schedule						
Taxable income		Base amount of tax		Marginal tax rate		Of the amount over
Single						
<		\$8,925	\$0.00	+	10.0%	\$0
\$8,926	to	\$36,250	\$892.00	+	15.0%	\$8,925
\$36,251	to	\$87,850	\$4,991.25	+	25.0%	\$36,250
\$87,851	to	\$183,250	\$17,891.25	+	28.0%	\$87,850
\$183,251	to	\$398,350	\$44,603.25	+	33.0%	\$183,250
\$398,351	to	\$400,000	\$115,586.25	+	35.0%	\$398,350
>		\$400,000	\$116,163.25	+	39.6%	\$400,000
Married filing jointly & surviving spouses						
<		\$17,850	\$0.00	+	10.0%	\$0
\$17,851	to	\$72,500	\$1,785.00	+	15.0%	\$17,850
\$72,501	to	\$146,400	\$9,982.50	+	25.0%	\$72,500
\$146,401	to	\$223,050	\$28,457.50	+	28.0%	\$146,400
\$223,051	to	\$398,350	\$49,919.50	+	33.0%	\$223,050
\$398,351	to	\$450,000	\$107,768.50	+	35.0%	\$398,350
>		\$450,000	\$125,846.00	+	39.6%	\$450,000
Head of household						
<		\$12,750	\$0.00	+	10.0%	\$0
\$12,751	to	\$48,600	\$1,275.00	+	15.0%	\$12,750
\$48,601	to	\$125,450	\$6,652.50	+	25.0%	\$48,600
\$125,451	to	\$203,150	\$25,865.00	+	28.0%	\$125,450
\$203,151	to	\$398,350	\$47,621.00	+	33.0%	\$203,150
\$398,351	to	\$425,000	\$112,037.00	+	35.0%	\$398,350
>		\$425,000	\$121,364.50	+	39.6%	\$425,000
Married filing separately						
<		\$8,925	\$0.00	+	10.0%	\$0
\$8,926	to	\$36,250	\$892.50	+	15.0%	\$8,925
\$36,251	to	\$73,200	\$4,991.25	+	25.0%	\$36,250
\$73,201	to	\$111,525	\$14,228.75	+	28.0%	\$73,200
\$111,526	to	\$199,175	\$24,959.25	+	33.0%	\$111,525
\$199,176	to	\$225,000	\$53,884.25	+	35.0%	\$199,175
>		\$225,000	\$62,923.00		39.6%	\$225,000
Estates and trusts						
<		\$2,450	\$0.00	+	15.0%	\$0
\$2,451	to	\$5,700	\$367.50	+	25.0%	\$2,450
\$5,701	to	\$8,750	\$1,180.00	+	28.0%	\$5,700
\$8,751	to	\$11,950	\$2,034.00	+	33.0%	\$2,034
>		\$11,950	\$3,090.00	+	39.6%	\$11,950

Standard Deductions & Personal Exemption			
Standard Deduction		Personal exemption	
Filing Status	Deduction	Exemption	Phaseouts*
Married filing joint	\$12,200	\$3,900	\$300,000 to \$422,500
Single	\$6,100	\$3,900	\$250,000 to \$372,000
Married filing separate	\$6,100	\$3,900	*itemized deductions are limited,
Head of household	\$8,950	\$3,900	but not completely phased out
Additional deductions for non-itemizers			
Blind or > 65	\$1,200		
Blind or > 65 and single	\$1,500		
Gift & Estate Tax			
Maximum estate tax rate			40%
Estate/Gift tax exclusion			\$5,250,000
Gift tax annual exclusion			\$14,000
AMT Exemptions & Phaseouts			
Filing status	Exemption	Income phaseout range	
Married filing jointly & qualifying widow(er)	\$80,800	\$150,000 to \$330,000	
Single & HOH	\$51,900	\$112,500 to \$247,500	
Married filing separately	\$40,375	\$75,000 to \$165,000	
Capital Gains Tax Rates			
Assets held less than 1 yr.		Marginal income rate	
Assets held longer than 1 yr.		0% for taxpayers in the 10% or 15% brackets; 15% for taxpayers in 25-35% bracket; 20% for taxpayers in the 39.6% bracket	
Unrecaptured Sec. 1250 gains		25%	
Collectibles		28%	
Education Credits & Deductions			
Credit / Deduction / Account	Maximum credit / deduction	Income phaseouts begin at AGI:	
American Opportunity Tax Credit	\$2,500	\$160,000 to \$180,000	joint
		\$80,000 to \$90,000	all others
Lifetime Learning Credit	\$2,000	\$107,000 to \$127,000	joint
		\$53,000 to \$63,000	all others
Student loan interest deduction	\$2,500	\$120,000 to \$150,000	joint
		\$60,000 to \$75,000	all others
Savings bond interest deduction	limited to amount of qualified expenses	\$112,050 to \$142,050	joint
		\$74,700 to \$89,700	all others
Coverdell	\$2,000 maximum contribution (non-deductible)	\$190,000	joint
		\$95,000	all others
Kiddie Tax			
Dependent children < age 19 (< 24 for full-time students) pay federal income tax at their parents' rate on investment income > \$2,000.			

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Individual Tax Rates						
Taxable Income		Ordinary Income	Capital Gains and Dividends	Medicare Tax	Affordable Health Care Act	
Single	Joint				Earned Income	Investment Income***
\$0 to \$8,925	\$0 to \$17,850	10%	0%	2.9%*	0%	0%
\$8,925 to \$36,250	\$17,851 to \$72,500	15%				
\$36,251 to \$87,850	\$72,501 to \$146,400	25%				
\$87,851 to \$183,250	\$146,401 to \$223,050	28%				
\$183,251 to \$200,000	\$223,051 to \$250,000	33%	15%	0.9%	3.8%**	
\$200,000 to \$398,350	\$250,000 to \$398,350					
\$398,351 to \$400,000	\$398,351 to \$450,000	35%				
> \$400,000	> \$450,000	39.6%	20%			

*2.9% = 1.45% employee paid + 1.45% employer paid

**3.8% tax is only imposed on income in excess of the \$200,000 (\$250,000 joint) threshold

*** Investment income for purposes of 3.8% tax = dividends, interest, capital gains, non-qualified annuity distributions, royalties, rents, and passive income (not qualified retirement distributions)

Changes from 2012 to 2013		
Tax Rate Items	2012	2013
Top marginal income tax bracket	35%	39.6%
Surtax on investment income (> \$200,000, \$250,000 joint)	0%	3.8%
Surtax on earned income (> \$200,000, \$250,000 joint)	0%	0.9%
Top long-term capital gain / dividends bracket	15%	20%
Top federal estate tax bracket	35%	40%
Employee portion of FICA tax	4.2%	6.2%
Surtax on estate & trust income (on income excess of top bracket)	0%	3.8%
Medical expense itemized deduction threshold	7.5%	10%
Limit and Phaseout Items [single, (joint)]	2012	2013
Itemized deduction / personal exemption phaseout	None	\$250,000, (\$300,000)
Estate tax exemption	\$5,120,000	\$5,250,000
Gift tax annual exclusion	\$13,000	\$14,000
IRA distributions direct to charity (over age 70.5)	\$100,000*	\$100,000
Roth IRA contribution phaseout threshold	\$110,000, (\$173,000)	\$112,000, (\$178,000)
Roth IRA contribution limit	\$5,000	\$5,500
AMT exemption	\$33,750 (\$51,900)	\$51,900 (\$80,800)
Qualified plan deferral limit (401k, 403b)	\$17,000	\$17,500

*Applies only if distribution was made in December 2012 & contribution made to charity prior to 2/1/2013

Retirement Plan Contribution Limits		
Plan	Limit	
Defined contribution plans	\$51,000	
401(k) (Roth/Traditional), 403(b), 457(b) plans	\$17,500	
Catch-up provision for individuals 50+	\$5,500	
SIMPLE plans	\$12,000	
SIMPLE plans - catch-up provision for individuals 50+	\$2,500	
Estates and Trusts		
Income	Rate	
< \$2,450	15%	
\$2,451 to \$5,700	25%	
\$5,701 to \$8,750	28%	
\$8,751 to \$11,950	33%	
> \$11,951*	39.6%	
Options		
Put/Call Action	Taxable Amount	Tax Treatment (long/short)
Option expires worthless	Premium	Short
Option is closed	Net gain/loss of closing	Short
Option assigned	Premium + strike price - basis	Short or long**

*Investment income > \$11,951 subject to additional 3.8% surtax

**Security held > 1 year is long term gain/loss, security held < 1 year is short term gain/loss