

Tax Reference Guide

RETIREMENT PLANS ⁶	
Elective deferrals 401(k), 403(b), 457 and SARSEPs	\$22,500
Catch-up contribution	\$7,500
Limit on additions to defined contribution plans	\$66,000
Maximum annual benefit in a defined benefit plan	\$265,000
SIMPLE plan	\$15,500
SIMPLE catch-up contribution	\$3,500
Maximum includible compensation	\$330,000
Highly compensated employee:	\$150,000
Look back to 2022	\$135,000
Look back to 2021	\$130,000
Key employee (top-heavy plan)	\$215,000
SEP contribution	
Up to 25% compensation, \$66,000 limit	
SEP participation limit	\$750
IRA or Roth IRA contribution limit	\$6,500
IRA or Roth IRA catch-up (age 50 and over)	\$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
Non-active participant married to active participant	\$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 ³	7.65%
SECA tax rate-self-employed	15.3%
Earnings limitation:	
Below FRA (\$1 for \$2)	\$21,240/yr
Persons reaching FRA (\$1 for \$3)	\$56,520/yr
<i>(Applies only to earnings for months prior to attaining FRA)</i>	
Social Security cost-of-living adjustment	8.7%
Quarter of coverage	\$1,640
Maximum benefit: worker retiring at FRA *See SS FRA below	\$3,627/mo
Estimated average monthly benefit, after 1.3% COLA	\$1,827

SOCIAL SECURITY FRA (FULL RETIREMENT AGE)		
Year of Birth	Social Security FRA	Percent Reduced at Age 62 ⁴
1943-1954	66	25%
1955	66 and 2 months	25.83%
1956	66 and 4 months	26.67%
1957	66 and 6 months	27.50%
1958	66 and 8 months	28.33%
1959	66 and 10 months	29.17%
1960 and later	67	30%

ESTATE AND GIFT TAX ⁵	
Annual gift tax exclusion	\$17,000
Estate and gift tax basic exclusion	\$12,920,000
Generation skipping exemption	\$12,920,000
Maximum estate tax rate	40%

MEDICARE	
Monthly premium:	
Part A ¹	\$505
Part B ²	\$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
<i>Beneficiary then pays coinsurance amount for additional covered expenses</i>	

2023 MEDICARE PART B PREMIUM RATES:		
YOU PAY	If your 2021 income was:	
	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 - 499,999	\$366,001 - 749,999
\$560.50	450,000 and above	750,000 and above

YOU PAY	Adjustment Amount	If you are married filing separately and your 2021 income was:
\$164.90	\$0	\$97,000 or less
\$527.50	\$362.60	\$97,001 - 402,999
\$560.50	\$395.60	\$403,000 and above

FIGURE 1

Footnotes

- The Part A premium of \$505 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.
- Beneficiaries not subject to the "hold harmless" provision includes persons not receiving Social Security, those who enroll in Part B for the first time in 2023, dual eligible beneficiaries who have their premiums paid by Medicaid, and beneficiaries who pay an additional income-related premium. See Premium rates (Figure 1)
- The FICA tax rate is comprised of two separate payroll taxes: Employer portion—6.20% for Old-Age, Survivors, and Disability Insurance (OASDI), and 1.45% for Hospital Insurance (HI); Employee portion—6.20% for Old-Age, Survivors, and Disability Insurance (OASDI), and 1.45% for Hospital Insurance (HI). For self-employed, the SECA is 12.40% for OASDI and 2.90% for HI.
- You must be at least 62 for the entire month to receive benefits.
- A deceased spouse's unused credit amount is portable to a surviving spouse.
- Required beginning date for RMDs is Age 73

STANDARD MILEAGE RATES	
Business use	65.5¢ per mile
Charitable use (not indexed)	14¢ per mile
Medical or moving use	22¢ per mile

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 younger	\$480
Age 41-50	\$890
Age 51-60	\$1,790
Age 61-70	\$4,770
Age 71 or older	\$5,960
Qualified transportation fringes (monthly):	
Commuter highway vehicle/transit pass	\$300
Qualified parking	\$300
Qualified Longevity Annuity Contract	\$200,000
Health Care Flexible Spending Account	\$3,050/year

2023 TAX RATE SCHEDULES				
If taxable income is:		Then the gross tax payable is:		
Over	But Not Over	Amount	Plus	Of Amount Over
Single taxpayers (other than surviving spouses and heads of households)				
\$0	\$11,000	----- 10% of taxable income -----		
\$11,000	\$44,725	\$1,100	12%	\$11,000
\$44,725	\$95,375	\$5,147	22%	\$44,725
\$95,375	\$182,100	\$16,290	24%	\$95,375
\$182,100	\$231,250	\$37,104	32%	\$182,100
\$231,250	\$578,125	\$52,832	35%	\$231,250
\$578,125	--	\$174,238.25	37%	\$578,125

HEADS OF HOUSEHOLDS				
\$0	\$15,700	----- 10% of taxable income -----		
\$15,700	\$59,850	\$1,570	12%	\$15,700
\$59,850	\$95,350	\$6,868	22%	\$59,850
\$95,350	\$182,100	\$14,678	24%	\$95,350
\$182,100	\$231,250	\$35,498	32%	\$182,100
\$231,250	\$578,100	\$51,226	35%	\$231,250
\$578,100	--	\$172,623.50	37%	\$578,100

MARRIED INDIVIDUALS (AND SURVIVING SPOUSES) FILING JOINT RETURNS				
\$0	\$22,000	----- 10% of taxable income -----		
\$22,000	\$89,450	\$2,200	12%	\$22,000
\$89,450	\$190,750	\$10,204	22%	\$89,450
\$190,750	\$364,200	\$32,580	24%	\$190,750
\$364,200	\$462,500	\$74,208	32%	\$364,200
\$462,500	\$693,750	\$105,664	35%	\$462,500
\$693,750	--	\$186,601.50	37%	\$693,750

MARRIED INDIVIDUALS FILING SEPARATE RETURNS				
\$0	\$11,000	----- 10% of taxable income -----		
\$11,000	\$44,725	\$1,100	12%	\$11,000
\$44,725	\$95,375	\$5,147	22%	\$44,725
\$95,375	\$182,100	\$16,290	24%	\$95,375
\$182,100	\$231,250	\$37,104	32%	\$182,100
\$231,250	\$346,875	\$52,832	35%	\$231,250
\$346,875	--	\$93,300.75	37%	\$346,875

FIDUCIARY (ESTATES AND TRUSTS) TAXPAYERS				
\$0	\$2,900	----- 10% of taxable income -----		
\$2,900	\$10,550	\$290	24%	\$2,900
\$10,550	\$14,450	\$2,126	35%	\$10,550
\$14,450	--	\$3,491	37%	\$14,450

LTCG RATES BASED ON TAXABLE INCOME			
Filing Status	0% rate	15% rate	20% rate
Single	up to \$44,625	\$44,626-492,300	over \$492,300
Married filing separately	up to \$44,625	\$44,626-276,900	over \$276,900
Married filing jointly	up to \$89,250	\$89,251-553,850	over \$553,850
Head of household	up to \$59,750	\$59,751-523,050	over \$523,050

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

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 - maximum of \$2000 of qualified expenses up to \$10,000:	
Single	\$80,000
Married filing jointly	\$160,000
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:	
Unmarried	\$75,000 - 90,000
Married filing jointly	\$155,000 - 185,000

INCOME TAX EXEMPTIONS, DEDUCTIONS AND CREDITS	
Personal exemption	\$0
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
Individual eligible to be claimed as dependent - greater of \$1,250 or earned income plus \$400, not to exceed full standard deduction of \$13,850.	
Elderly or blind additional deduction:	
Single	\$1,850
Married	\$1,500
Section 179:	
Maximum election	\$1,160,000
Phaseout begins	\$2,890,000
Adoption credit (nonrefundable):	
Maximum	\$15,950
Phaseout	\$239,230-279,230
Medicare Contribution tax and additional Medicare Tax	
Single	\$200,000
Head of Household	\$200,000
Married filing jointly	\$250,000
Child tax credit	\$2,000 per child

ALTERNATIVE MIN 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

Information contained herein is current as of 01/04/23, general in nature, for informational purposes only, subject to legislative changes and is not intended to be legal or tax advice. Consult a qualified tax advisor regarding specific circumstances.

