



## 2023 ANNUAL LIMITS RELATING TO FINANCIAL PLANNING

Compiled by the faculty of the College for Financial Planning

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	
Lookback to 2022	\$135,000
Lookback to 2023	\$150,000
Key employee (top-heavy plan)	>\$215,000
SEP participation limit	\$750
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
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 <sup>3</sup>	7.65%
SECA tax rate—self-employed	15.3%
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	\$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 and gift tax basic exclusion	\$12,920,000
Applicable credit amount	\$5,113,800
Generation skipping exemption	\$12,920,000
Maximum estate tax rate <sup>4</sup>	40%

MEDICARE	
Monthly premium:	
Part A <sup>1</sup>	\$506
Part B <sup>2</sup>	\$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.	

2023 MEDICARE PART B PREMIUM RATES:			
YOU PAY		If your 2021 income was:	
Premium	PART D Surcharge	SINGLE	MARRIED COUPLE
\$164.90 not Hold Harmless		\$97,000 or less	\$194,000 or less
\$230.80	\$12.20	\$97,001–\$123,000	\$194,001–\$246,000
\$329.70	\$31.50	\$123,001–\$153,000	\$246,001–\$306,000
\$428.60	\$50.70	\$153,001–\$183,000	\$306,001–\$366,000
\$527.50	\$70.00	\$183,001–\$500,000	\$366,001–\$750,000
\$560.50	\$76.40	Above \$500,000	Above \$750,000
YOU PAY	PART D Surcharge	If you are married filing separately and your 2021 income was:	
\$164.90		\$97,000 or less	
\$527.50	\$70.00	\$97,001–\$403,000	
\$560.50	\$76.40	Above \$403,000	

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

STANDARD MILEAGE RATES	
Business use	62.5¢ per mile
Charitable use (not indexed)	14¢ per mile
Medical use	22¢ per mile

MISCELLANEOUS ITEMS	
PBGC maximum monthly benefit (at age 65)	\$6,205
LTC per diem limit	\$420
LTC premium as medical expense limitation	
Age 40 or under	\$480
Age 41-50	\$895
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	Max \$155,000
Health Care Flexible Spending Account	Max \$3,050
Health Care FSA Carryover Amount	Max \$610

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
Head of household	up to \$59,750	\$59,751-\$523,050	over \$523,050
Married filing jointly	up to \$89,250	\$89,251-\$553,850	over \$553,850
Married filing separately	up to \$44,625	\$44,626-\$276,900	over \$276,900
Estates and trusts	up to \$3,000	\$3,001-\$14,650	over \$14,650

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
<b>SINGLE TAXPAYERS (other than surviving spouses and heads of households)</b>				
\$0	\$11,000	----- 10% of taxable income -----		
11,000	44,725	\$1,100	12%	\$11,000
44,725	95,375	5,147	22%	44,275
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
<b>HEADS OF HOUSEHOLDS</b>				
\$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
<b>MARRIED INDIVIDUALS (and surviving spouses) FILING JOINT RETURNS</b>				
\$0	\$22,000	----- 10% of taxable income -----		
22,000	89,450	\$2,200	12%	\$22,000
89,450	190,750	10,294	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
<b>MARRIED INDIVIDUALS FILING SEPARATE RETURNS</b>				
\$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
<b>FIDUCIARY (estates and trusts) TAXPAYERS</b>				
\$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

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—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	
Unmarried	\$75,000-\$90,000
Married filing jointly	\$155,000-\$185,000

INCOME TAX	
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	
Dependent under age 17	\$2,000
Other dependents	\$500
Phaseout (\$50 for every \$1,000 over)	
Single	\$200,000
Married filing jointly	\$400,000

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	

