



## 2013 ANNUAL LIMITS RELATING TO FINANCIAL PLANNING

Compiled by College for Financial Planning faculty members Richard Stebbins, JD, MS, CRPC®, CFP®, and Michael B. Cates, MS, CFP®, ATP.

Retirement Plans	
Elective deferrals 401(k), 403(b), 457, and SARSEPs	\$17,500
Catch-up contribution	\$5,500
Defined contribution (§415(c)(1)(A))	\$51,000
Defined benefit (§415(b)(1)(A))	\$205,000
SIMPLE plan	\$12,000
SIMPLE catch-up contribution	\$2,500
Maximum includible compensation	\$255,000
Highly compensated employee	
Look back to 2012	\$115,000
Look back to 2013	\$115,000
Key employee (top-heavy plan)	>\$165,000
SEP participation limit	\$550
IRA or Roth IRA contribution limit	\$5,500
IRA or Roth IRA catch-up	\$1,000
IRA deduction phaseout for active participants	
Single	\$59,000-\$69,000
Married filing jointly <sup>1</sup>	\$95,000-\$115,000
Married filing separately	\$0-\$10,000
Spousal IRA	\$178,000-\$188,000
Roth IRA phaseout	
Single	\$112,000-\$127,000
Married filing jointly	\$178,000-\$188,000

Social Security	
SS wage base	\$113,700
FICA tax rate—employee <sup>4</sup>	7.65%
SECA tax rate—self-employed	15.3%
Earnings limitation:	
Below FRA (\$1 for \$2)	\$15,120
Persons reaching FRA (\$1 for \$3)	\$40,080
(Applies only to earnings for months prior to attaining FRA)	
Social Security cost-of-living adjustment	1.7%
Quarter of coverage	\$1,160
Maximum benefit: worker retiring at FRA <sup>*See Social Security FRA below.</sup>	\$2,533
Estimated average monthly benefit	\$1,261

Social Security FRA			
Year of Birth	Social Security FRA	Year of Birth	Social Security FRA
1941	65 and 8 months	1957	66 and 6 months
1942	65 and 10 months	1958	66 and 8 months
1943–54	66	1959	66 and 10 months
1955	66 and 2 months	1960 and later	67
1956	66 and 4 months		

Estate and Gift Tax	
Annual gift tax exclusion	\$14,000
Estate tax basic exclusion <sup>5</sup>	\$5,250,000
Gift tax basic exclusion	\$5,250,000
Generation skipping exemption	\$5,250,000
Maximum estate tax rate <sup>5</sup>	40%

Medicare	
Monthly premium:	
Part A <sup>2</sup>	\$441.00
Part B <sup>*See Figure 1</sup>	\$104.90
Part A:	
First 60 days—patient pays a deductible	\$1,184
Next 30 days—patient pays per day	\$296
Next 60 days (lifetime reserve days) patient pays per day	\$592
Skilled nursing benefits	
First 20 days—patient pays per day	-0-
Next 80 days—patient pays per day	\$148
Over 100 days—patient pays per day	All costs
Part B:	
Deductible	\$147
Coinsurance <sup>3</sup>	20%
Part D (Prescription Standard Benefit Model):	
Deductible	\$325
25% coinsurance on next	\$2,645
Out-of-pocket (OOP) Threshold	\$4,750
Beneficiary then pays coinsurance amount for additional covered expenses.	

2013 Medicare Part B Premium rates:		
You Pay	If your yearly income is	
	Single	Married Couple
\$104.90 Base Prem	\$85,000 or less	\$170,000 or less
\$146.90	\$85,001–\$107,000	\$170,001–\$214,000
\$209.80	\$107,001–\$160,000	\$214,001–\$320,000
\$272.70	\$160,001–\$214,000	\$320,001–\$428,000
\$335.70	Above \$214,000	Above \$428,000

You Pay	If you are married but you file a separate tax return from your spouse and your yearly income is	
\$104.90	\$85,000 or less	
\$272.70	\$85,001–\$129,000	
\$335.70	Above \$129,000	

- For married couples who file a joint return and only one is an active participant, the AGI phaseout for the non-active participant spouse is \$178,000-\$188,000.
- The Part A premium of \$441.00 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 \$243.00 per month.
- 40% is the coinsurance for mental healthcare
- 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. These numbers reflect the expiration of the payroll tax cut. 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.
- A deceased spouse's unused credit amount is portable to a surviving spouse
- For taxpayers in the 39.6% bracket, a 20% rate applies to net long-term capital gains and qualified dividends.

Previous years may be found at: [www.cffpinfo.com/annualLimits.html](http://www.cffpinfo.com/annualLimits.html)

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Standard Mileage Rates	
Business use	56.5¢ per mile
Charitable use (not indexed)	14¢ per mile
Medical or moving use	24¢ per mile

Miscellaneous Items	
PBGC maximum monthly benefit (at age 65)	\$4,789.77
Archer Medical Savings Account	
Single high deductible	\$2,150
Family high deductible	\$4,300
Single out-of-pocket maximum	\$4,300
Family out-of-pocket maximum	\$7,850
LTC per diem limit	\$320
LTC premium as medical expense limitation	
Age 40 or under	\$360
Age 41-50	\$680
Age 51-60	\$1,360
Age 61-70	\$3,640
Age 71 or older	\$4,550
Qualified Transportation Fringes (monthly)	
Commuter highway vehicle/transit pass	\$245
Qualified parking	\$245

2013 Tax Rate Schedules <sup>6</sup>				
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	\$8,925	----- 10% of taxable income -----		
8,925	36,250	\$892.50	15%	\$8,925
36,250	87,850	4,991.25	25%	36,250
87,850	183,250	17,891.25	28%	87,850
183,250	398,350	44,603.25	33%	183,250
398,350	400,000	115,586.25	35%	398,350
400,000	--	116,163.75	39.6%	400,000
<b>Heads of Households</b>				
\$0	\$12,750	----- 10% of taxable income -----		
12,750	48,600	\$1,275.00	15%	\$12,750
48,600	125,450	6,652.50	25%	48,600
125,450	203,150	25,865.00	28%	125,450
203,150	398,350	47,621.00	33%	203,150
398,350	425,000	112,037.00	35%	398,350
425,000	--	121,394.50	39.6%	425,000
<b>Married Individuals (and surviving spouses) Filing Joint Returns</b>				
\$0	\$17,850	----- 10% of taxable income -----		
17,850	72,500	\$1,785.00	15%	\$17,850
72,500	146,400	9,982.50	25%	72,500
146,400	223,050	28,457.50	28%	146,400
223,050	398,350	49,919.50	33%	223,050
398,350	450,000	107,768.00	35%	398,350
450,000	--	125,846.00	39.6%	450,000
<b>Married Individuals Filing Separate Returns</b>				
\$0	\$8,925	----- 10% of taxable income -----		
8,925	36,250	\$892.50	15%	\$8,925
36,250	73,200	4,991.25	25%	36,250
73,200	111,525	14,228.75	28%	73,200
111,525	199,175	24,959.75	33%	111,525
199,175	225,000	53,884.25	35%	199,175
225,000	--	62,923.00	39.6%	225,000
<b>Fiduciary (estates and trusts) Taxpayers</b>				
\$0	\$2,450	----- 15% of taxable income -----		
2,450	5,700	\$367.50	25%	\$2,450
5,700	8,750	1,180.00	28%	5,700
8,750	11,950	2,034.00	33%	8,750
11,950	--	3,090.00	39.6%	11,950

Health Savings Account	
Minimum Deductible Amount	
Single	\$1,250
Family	\$2,500
Maximum Out-of-Pocket Amount	
Single	\$6,250
Family	\$12,500
HSA Statutory Contribution Maximum	
Single	\$3,250
Family	\$6,450
Catch-Up Contributions (age 55 or older)	\$1,000

Education	
EE bonds for education—exclusion phaseout	
Single	\$74,700-\$89,700
Married filing jointly	\$112,050-\$142,050
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	\$53,000-\$63,000
Married filing jointly	\$107,000-\$127,000
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	\$60,000-\$75,000
Married filing jointly	\$125,000-\$155,000
\$4,000 higher education expense deduction	
Unmarried AGI cutoff	\$65,000
Married filing jointly AGI cutoff	\$130,000
\$2,000 higher education expense deduction	
Unmarried AGI cutoff	\$80,000
Married filing jointly AGI cutoff	\$160,000

Income Tax Exemptions & Deductions	
Personal exemption	\$3,900
Personal exemption phaseout	
Single	\$250,000
Head of household	\$275,000
Married filing jointly	\$300,000
Standard deduction	
Single	\$6,100
Married filing jointly	\$12,200
Head of household	\$8,950
Married filing separately	\$6,100
Kiddie tax limited standard deduction	\$1,000
Individual eligible to be claimed as dependent—greater of \$1,000 or earned income plus \$350, not to exceed full standard deduction of \$6,100.	
Elderly or blind additional deduction	
Single	\$1,500
Married	\$1,200
Section 179	
Maximum election	\$500,000
Phaseout begins	\$2,000,000
Adoption credit (nonrefundable)	
Maximum	\$12,970
Phaseout	\$194,580-\$234,580
Itemized deduction phaseout	
Single	\$250,000
Head of household	\$275,000
Married filing jointly	\$300,000

Alternative Minimum Tax (AMT)	Exemption	Phaseout
Single	\$51,900	\$115,400
Married filing jointly	\$80,800	\$153,900
Married filing separately	\$40,400	\$76,950
Trusts and estates	\$23,100	\$76,950