

2014 Tax Guide

Retirement Plan Contribution Limits	
Annual compensation used to determine contribution for most plans	\$260,000
Defined contribution plans	\$52,000
Defined benefit plans	\$210,000
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	\$1,050,000

Individual Retirement Accounts			
IRA type	Contribution limit	Catch-up at 50+	Phaseouts
Non-deductible	\$5,500	\$1,000	None
Covered by qualified plan:			
			\$96,000 to \$116,000 joint
			\$60,000 to \$70,000 single, HOH
			\$10,000 MFS
If spouse covered by a plan:			
			\$181,000 to \$191,000 joint
			\$181,000 to \$191,000 joint
			\$114,000 to \$129,000 single, HOH
			\$0 to \$10,000 MFS
Roth	\$5,500	\$1,000	None
Roth conversion			None

Medicare Premiums & Deductibles			
Part B premium	\$104.90		
Part B deductible	\$147		
Part A (inpatient services) deductible < 61 days of hospitalization	\$1,216	per benefit period	
Part A deductible 61 - 90 days of hospitalization	\$304	per day	
Part A deductible > 90 days of hospitalization	\$608	per day	

Part B Premiums for High-Income Taxpayers		
MAGI single	MAGI joint	Part B premium
< \$85,001	< \$170,001	\$104.90
85,001 to \$107,000	\$170,001 to \$214,000	\$146.90
\$107,001 to \$160,000	\$214,001 to \$320,000	\$209.80
\$160,001 to \$214,000	\$320,001 to \$428,000	\$272.70
> \$214,000	> \$428,000	\$335.70

Social Security		
Benefits		
Full retirement age (FRA) if born between 1943 & 1954		66
Maximum monthly benefit	\$2,642	
Retirement earnings exempt amounts	\$15,480	under FRA
	\$41,400	during yr. reach FRA
	No limit after FRA	
Tax (FICA)	% withheld	Maximum tax payable
SS tax paid on income < \$117,000		
Employer pays	6.20%	\$7,254
Employee pays	6.20%	\$7,254
Self-employed pays	12.40%	\$14,508
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
	< \$32,000	0%
Married filing jointly	\$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	\$370
41 to 50	\$700
51 to 60	\$1,400
61 to 70	\$3,720
> 70	\$3,660

Health Savings Accounts			
Annual limit	Max. deductible contribution	Deductible/Co-pay limits	Minimum annual deductible
Individuals	\$3,300	\$6,350	\$1,250
Families	\$6,550	\$12,700	\$2,500
Catch-up for 55+	\$1,000		

2014 Tax Guide

2014 Tax Rate Schedule						
Taxable income	Base amount of tax	Marginal tax rate	Of the amount over			
Single						
<	\$9,075	\$0.00	+	10.0%	\$0	
\$9,075 to	\$36,900	\$907.50	+	15.0%	\$9,075	
\$36,900 to	\$89,350	\$5,081.25	+	25.0%	\$36,900	
\$89,350 to	\$186,350	\$18,193.75	+	28.0%	\$89,350	
\$186,350 to	\$405,100	\$45,353.75	+	33.0%	\$186,350	
\$405,100 to	\$406,750	\$117,541.25	+	35.0%	\$405,100	
>	\$406,750	\$118,118.75	+	39.6%	\$406,750	
Married filing jointly & surviving spouses						
<	\$18,150	\$0.00	+	10.0%	\$0	
\$18,150 to	\$73,800	\$1,815.00	+	15.0%	\$18,150	
\$73,800 to	\$148,850	\$10,162.50	+	25.0%	\$73,800	
\$148,850 to	\$226,850	\$28,925.00	+	28.0%	\$148,850	
\$226,850 to	\$405,100	\$50,765.00	+	33.0%	\$226,850	
\$405,100 to	\$457,600	\$109,587.50	+	35.0%	\$405,100	
>	\$457,601	\$127,962.50	+	39.6%	\$457,600	
Head of household						
<	\$12,950	\$0.00	+	10.0%	\$0	
\$12,950 to	\$49,400	\$1,295.00	+	15.0%	\$12,950	
\$49,400 to	\$127,550	\$6,762.50	+	25.0%	\$49,400	
\$127,550 to	\$206,600	\$26,300.00	+	28.0%	\$127,550	
\$206,600 to	\$405,100	\$48,434.00	+	33.0%	\$206,600	
\$405,100 to	\$432,200	\$113,939.00	+	35.0%	\$405,100	
>	\$432,201	\$123,424.00	+	39.6%	\$432,200	
Married filing separately						
<	\$9,075	\$0.00	+	10.0%	\$0	
\$9,075 to	\$36,900	\$907.50	+	15.0%	\$9,075	
\$36,900 to	\$74,425	\$5,081.25	+	25.0%	\$36,900	
\$74,425 to	\$113,425	\$14,462.50	+	28.0%	\$74,425	
\$113,425 to	\$202,550	\$25,382.50	+	33.0%	\$113,425	
\$202,550 to	\$228,800	\$54,793.75	+	35.0%	\$202,550	
>	\$228,800	\$63,981.25		39.6%	\$228,800	
Estates and trusts						
<	\$2,500	\$0.00	+	15.0%	\$0	
\$2,500 to	\$5,800	\$375.00	+	25.0%	\$2,500	
\$5,800 to	\$8,900	\$1,200.00	+	28.0%	\$5,800	
\$8,900 to	\$12,150	\$2,068.00	+	33.0%	\$8,900	
>	\$12,150	\$3,140.50	+	39.6%	\$12,150	

Standard Deductions & Personal Exemption			
Standard Deduction		Personal exemption	
Filing Status	Deduction	Exemption	Phaseouts*
Married filing joint	\$12,400	\$3,950	\$305,050 to \$427,550
Single	\$6,200	\$3,950	\$254,200 to \$376,700
Married filing separate	\$6,200	\$3,950	*itemized deductions are limited, but not completely phased out
Head of household	\$9,100	\$3,950	
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			\$5,340,000
Gift tax annual exclusion			\$14,000
AMT Exemptions & Phaseouts			
Filing status	Exemption	Income phaseout threshold	
Married filing jointly & qualifying widow(er)	\$82,100	\$156,500	
Single & HOH	\$52,800	\$117,300	
Married filing separately	\$41,050	\$78,250	
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	\$108,000 to \$128,000	joint
		\$54,000 to \$64,000	all others
Student loan interest deduction	\$2,500	\$130,000 to \$160,000	joint
		\$65,000 to \$80,000	all others
Savings bond interest deduction	limited to amount of qualified expenses	\$113,950 to \$143,950	joint
		\$76,000 to \$91,000	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.			

2014 Tax Guide

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 \$9,075	\$0 to \$18,150	10%	0%	2.9%*	0%	0%
\$9,076 to \$36,900	\$18,151 to \$73,800	15%				
\$36,901 to \$89,350	\$73,801 to \$148,850	25%				
\$89,351 to \$186,350	\$148,851 to \$226,850	28%				
\$186,351 to \$200,000	\$226,851 to \$250,000	33%	15%	0.9%	3.8%**	
\$200,001 to \$405,100	\$250,001 to \$405,100					
\$405,101 to \$406,750	\$405,101 to \$457,600	35%				
> \$406,750	> \$457,600	39.6%	20%			

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

**3.8% tax is only imposed on adjusted gross income (AGI) 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 2013 to 2014		
Tax Rate Items	2013	2014
Top marginal income tax bracket	39.6%	39.6%
Surtax on investment income (> \$200,000, \$250,000 joint)	3.8%	3.8%
Surtax on earned income (> \$200,000, \$250,000 joint)	0.9%	0.9%
Top long-term capital gain / dividends bracket	20%	20%
Top federal estate tax bracket	40%	40%
Employee portion of FICA tax	6.2%	6.2%
Surtax on estate & trust income (on income excess of top bracket)	3.8%	3.8%
Medical expense itemized deduction threshold (< age 65)	10%	10%
Limit and Phaseout Items [single, (joint)]	2013	2014
Itemized deduction / personal exemption phaseout	\$250,000, (\$300,000)	\$250,000, (\$300,000)
Estate tax exemption	\$5,250,000	\$5,340,000
Gift tax annual exclusion	\$14,000	\$14,000
IRA distributions direct to charity (over age 70.5)	\$100,000	N/A
Roth IRA contribution phaseout threshold	\$112,000, (\$178,000)	\$114,000, (\$181,000)
Roth IRA contribution limit	\$5,500	\$5,500
AMT exemption	\$51,900 (\$80,800)	\$52,800 (\$82,100)
Qualified plan deferral limit (401k, 403b)	\$17,500	\$17,500

Retirement Plan Contribution Limits		
Plan	Limit	
Defined contribution plans	\$52,000	
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	
< \$2,500	15%	
\$2,501 to \$5,800	25%	
\$5,801 to \$8,900	28%	
\$8,901 to \$12,150	33%	
> \$12,150*	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 > \$12,150 subject to additional 3.8% surtax

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