

# 2023

## TRADITIONAL & ROTH IRAS

### Contribution limits

|           | 2023    |
|-----------|---------|
| Regular   | \$6,500 |
| Catch-Up* | \$1,000 |

\*Only taxpayers age 50 and over are eligible to make catch-up contributions.

### Roth contribution phase-out

#### MAGI phase-out range for contributions to Roth IRAs in 2023

|                                                |                                            |                                |
|------------------------------------------------|--------------------------------------------|--------------------------------|
| Married filing jointly:<br>\$218,000–\$228,000 | Married filing separately:<br>\$0–\$10,000 | Single:<br>\$138,000–\$153,000 |
|------------------------------------------------|--------------------------------------------|--------------------------------|

No annual income limit for determining ability to convert traditional IRA to Roth IRA continues for 2023.

### Traditional IRA deductibility rules

| Filing Status          | Covered by Employer's Retirement Plan?    | Modified AGI 2023   | Deductibility     |
|------------------------|-------------------------------------------|---------------------|-------------------|
| Single                 | No                                        | Any amount          | Full deduction    |
|                        | Yes                                       | \$73,000 or less    | Full deduction    |
|                        |                                           | \$73,001–\$82,999   | Partial deduction |
|                        |                                           | \$83,000 or more    | No deduction      |
| Married Filing Jointly | Neither Spouse Covered                    | Any amount          | Full deduction    |
|                        | Both Spouses Covered                      | \$116,000 or less   | Full deduction    |
|                        |                                           | \$116,001–\$135,999 | Partial deduction |
|                        |                                           | \$136,000 or more   | No deduction      |
|                        | One Spouse Covered For Covered Spouse     | \$116,000 or less   | Full deduction    |
|                        |                                           | \$116,001–\$135,999 | Partial deduction |
|                        |                                           | \$136,000 or more   | No deduction      |
|                        | One Spouse Covered For Non-Covered Spouse | \$218,000 or less   | Full deduction    |
|                        |                                           | \$218,001–\$227,999 | Partial deduction |
| \$228,000 or more      |                                           | No deduction        |                   |

## ESTATE & GIFT TAX RATES

|                                                        | 2023         |
|--------------------------------------------------------|--------------|
| Maximum Estate, Gift and GST Rate                      | 40%          |
| Estate, Gift and GST Exclusion                         | \$12,920,000 |
| Applicable Credit                                      | \$5,113,800  |
| Annual Gift Tax Exclusion                              | \$17,000     |
| Annual Gift Tax Exclusion for Non-U.S. Citizen Spouses | \$175,000    |

## RETIREMENT PLANS

|                                                                                     | 2023      |
|-------------------------------------------------------------------------------------|-----------|
| Elective Deferral Limit to Retirement Plans (e.g. 401(k), 403(b), 457, and SARSEPS) | \$22,500  |
| Elective Deferral Limit to SIMPLE Plans                                             | \$15,500  |
| Annual Additions Limit to SEP Plans                                                 | \$66,000  |
| SEP Participation Limit                                                             | \$750     |
| Defined Contribution Limit                                                          | \$66,000  |
| Maximum Includible Compensation                                                     | \$330,000 |
| Defined Benefit Limit                                                               | \$265,000 |
| Highly Compensated Employee Threshold                                               | \$150,000 |
| Key Employee/Officer Threshold                                                      | \$215,000 |
| Qualified Longevity Annuity Contract (QLAC) Purchase Limit                          | \$200,000 |

### Catch-up contribution limits for other qualified plan types

|                                  | 2023    |
|----------------------------------|---------|
| 401(k), 403(b), 457, and SARSEPS | \$7,500 |
| SIMPLE Plans                     | \$3,500 |

## HEALTH SAVINGS ACCOUNTS

| Annual Limit | Contribution Limit | Maximum Out of Pocket Limit | Minimum Deductible |
|--------------|--------------------|-----------------------------|--------------------|
| Self-Only    | \$3,850            | \$7,500                     | \$1,500            |
| Family       | \$7,750            | \$15,000                    | \$3,000            |

Catch-up contributions (age 55 and older): \$1,000

# TAX REFERENCE GUIDE

## SOCIAL SECURITY TAX RULES

### Social Security Benefit Reduction before Full Retirement Age (FRA).

Deduct \$1 from benefits for every \$2 earned above \$21,240 in the years before FRA is reached

Deduct \$1 from benefits for every \$3 earned above \$56,520 in the year FRA is reached

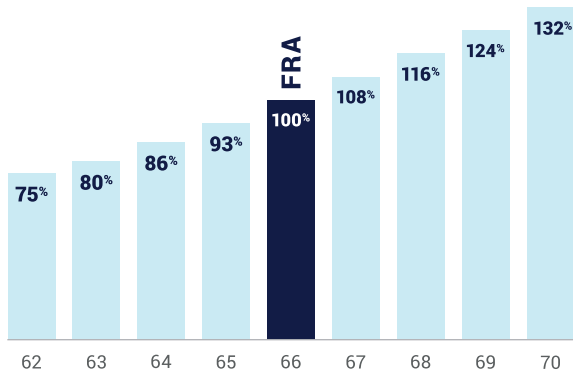
## PERCENTAGE OF SOCIAL SECURITY BENEFITS INCLUDED IN TAXES

|     | Single            | Married Filing Jointly |
|-----|-------------------|------------------------|
| 0%  | <\$25,000         | <\$32,000              |
| 50% | \$25,000–\$34,000 | \$32,000–\$44,000      |
| 85% | >\$34,000         | >\$44,000              |

**Combined Income above is:**  
Annual Gross Income + 50% Social Security benefits

**Taxable Wage Base for Social Security: \$160,200**

## PERCENTAGE OF SOCIAL SECURITY FULL RETIREMENT BENEFIT IF COLLECTED AT:



## MEDICARE CONTRIBUTION PREMIUMS

2021 Tax Year, 2023 Premium Year

| Single                                  | Married Filing Jointly                  | Part B Monthly Premium | Part D IRMAA |
|-----------------------------------------|-----------------------------------------|------------------------|--------------|
| \$97,000 or less                        | \$194,000 or less                       | \$164.90               | \$0          |
| above \$97,000 up to \$123,000          | above \$194,000 up to \$246,000         | \$230.80               | \$12.20      |
| above \$123,000 up to \$153,000         | above \$246,000 up to \$306,000         | \$329.70               | \$31.50      |
| above \$153,000 up to \$183,000         | above \$306,000 up to \$366,000         | \$428.60               | \$50.70      |
| above \$183,000 and less than \$500,000 | above \$366,000 and less than \$750,000 | \$527.50               | \$70.00      |
| \$500,000 and above                     | \$750,000 and above                     | \$560.50               | \$76.40      |

## TAX BRACKETS AND RATES

If taxable income is

| Over                                                | But Not Over | The Tax Is      | Of the Amount Over |
|-----------------------------------------------------|--------------|-----------------|--------------------|
| <b>Married Filing Jointly and Surviving Spouses</b> |              |                 |                    |
| \$0                                                 | \$22,000     | \$0 + 10%       | \$0                |
| \$22,001                                            | \$89,450     | \$2,200 + 12%   | \$22,000           |
| \$89,451                                            | \$190,750    | \$10,294 + 22%  | \$89,450           |
| \$190,751                                           | \$364,200    | \$32,580 + 24%  | \$190,750          |
| \$364,201                                           | \$462,500    | \$74,208 + 32%  | \$364,200          |
| \$462,501                                           | \$693,750    | \$105,664 + 35% | \$462,500          |
| \$693,751                                           | —            | \$186,602 + 37% | \$693,750          |
| <b>Single</b>                                       |              |                 |                    |
| \$0                                                 | \$11,000     | \$0 + 10%       | \$0                |
| \$11,001                                            | \$44,725     | \$1,100 + 12%   | \$11,000           |
| \$44,726                                            | \$95,375     | \$5,147 + 22%   | \$44,725           |
| \$95,376                                            | \$182,100    | \$16,290 + 24%  | \$95,375           |
| \$182,101                                           | \$231,250    | \$37,104 + 32%  | \$182,100          |
| \$231,251                                           | \$578,125    | \$52,832 + 35%  | \$231,250          |
| \$578,126                                           | —            | \$174,238 + 37% | \$578,125          |
| <b>Estates and Trusts</b>                           |              |                 |                    |
| \$0                                                 | \$2,900      | \$0 + 10%       | \$0                |
| \$2,901                                             | \$10,550     | \$290 + 24%     | \$2,900            |
| \$10,551                                            | \$14,450     | \$2,126 + 35%   | \$10,550           |
| \$14,451                                            | —            | \$3,491 + 37%   | \$14,450           |

|                                                                                                                                                                                                 | Exemption                    | Phase-out Range                        |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|----------------------------------------|
| <b>Standard Deductions</b>                                                                                                                                                                      | <b>Annual</b>                | <b>Add'l Age 65 or Older, or Blind</b> |
| Married Filing Jointly                                                                                                                                                                          | \$27,700                     | \$1,500                                |
| Head of Household                                                                                                                                                                               | \$20,800                     | \$1,850                                |
| Single/Married Filing Separately                                                                                                                                                                | \$13,850                     | \$1,850                                |
| <b>Child Tax Credit:</b> \$2,000 per child phases out \$50 for each \$2,000 of modified AGI over \$400,000 (married filing jointly), or \$200,000 (single).                                     |                              |                                        |
| <b>Capital Gains and Qualifying Dividends Tax Rate (2023)</b>                                                                                                                                   |                              |                                        |
| <b>Taxpayer Bracket</b>                                                                                                                                                                         | <b>Short Term &lt; 12 Mo</b> | <b>Long Term &gt; 12 Mo</b>            |
| Single: Up to \$44,625<br>MFJ: Up to \$89,250                                                                                                                                                   | Ordinary rate                | 0%                                     |
| Single: \$44,626–\$492,300<br>MFJ: \$89,251–\$553,850                                                                                                                                           | Ordinary rate                | 15%                                    |
| Single: \$492,301 and up<br>MFJ: \$553,851 and up                                                                                                                                               | Ordinary rate                | 20%                                    |
| <b>Tax on Net Investment Income:</b> Additional 3.8% tax on lesser of net investment income or excess of modified adjusted gross income over \$200,000 single/ \$250,000 married filing jointly |                              |                                        |

Robert C. Slane, AEP, CLU • The Wealth Transfer Group, Inc.

1980 N. Atlantic Ave., Suite 514, Cocoa Beach, FL 32931 • 321.507.4223 (Main) 321.806.3244 (Fax) • [wealth-transfer.com](http://wealth-transfer.com)