

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 ³	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		

Medicare

Monthly Premium:	
Part A ¹	\$506
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
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.

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 ⁴	40%

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

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

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

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

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
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%	44,275
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
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	10,294	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
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