



Key	IRAs & Retirement Plan Contributions	Key
	Retirement Plan Distributions	
	Tax Rates	
	Misc. Deductions & Exemptions	
	Estate / Gift Tax Rates & Exclusions Social Security	



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IRA Contributions

	2022	2023
Traditional & Roth	\$6,000	\$6,500
Catch-up Contribution (Age 50 and older)	\$1,000	\$1,000

Traditional IRA Deduction Phase Outs

	2022	2023
Single or Head of HH	\$68,000 - \$78,000	\$73,000 - \$83,000
Married Filing Joint	\$109,000 - \$129,000	\$116,000 - \$136,000
Married Filing Separate	\$0-\$10,000	\$0-\$10,000

Non-active participants full contribution is deductible (if married, neither spouse active)

Spousal contributions - If one spouse is an active participant, deductibility for non-active spouse phases out: \$218,000- \$228,000

Roth IRAs

	2022	2023
Single or Head of HH	\$129,000 - \$144,000	\$138,000-\$153,000
Married Filing Joint	\$204,000-\$214,000	\$218,000- \$228,000
Married Filing Separate	\$0-\$10,000	\$0-\$10,000

IRS Guidance Publications

Contributions to IRAs	Publication 590-A
Distributions from IRAs	Publication 590-B
Employer Sponsored Retirement Plan (SEP, SIMPLE, and Qualified Plans)	Publication 560

This information is a general discussion of the relevant and projected federal tax laws for 2023 provided to promote ideas that may benefit a taxpayer. It is not intended for, nor can it be used by any taxpayer for the purpose of avoiding federal tax penalties. Taxpayers should seek the advice of their own advisors regarding any tax and legal issues specific to their situation.

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RMD	
RMD Formula = $\frac{\text{Prior Year 12/31 Account Balance}}{\text{Life Expectancy}}$	
Life Expectancy = distribution period for age you will turn in the distribution year	

Employer Plan / IRA Distributions

Uniform Life Expectancy Table (ULET)

Age	Distribution Period	%	Age	Distribution Period	%
70	29.1	3.44	93	10.1	9.91
71	28.2	3.55	94	9.5	10.53
72*	27.4	3.65	95	8.9	11.24
73	26.5	3.78	96	8.4	11.91
74	25.5	3.93	97	7.8	12.83
75	24.6	4.07	98	7.3	13.7
76	23.7	4.22	99	6.8	14.71
77	22.9	4.37	100	6.4	15.63
78	22	4.55	101	6	16.67
79	21.1	4.75	102	5.6	17.86
80	20.2	4.96	103	5.2	19.24
81	19.4	5.16	104	4.9	20.41
82	18.5	5.41	105	4.6	21.74
83	17.7	5.65	106	4.3	23.26
84	16.8	5.96	107	4.1	24.4
85	16	6.25	108	3.9	25.65
86	15.2	6.58	109	3.7	27.03
87	14.4	6.95	110	3.5	28.58
88	13.7	7.3	111	3.4	29.42
89	12.9	7.76	112	3.3	30.31
90	12.2	8.2	113	3.1	32.26
91	11.5	8.7	114	3	33.34
92	10.8	9.26	115+	2.9	34.49

\* If you reach age 70 1/2 in 2020 or later you must take your first RMD by April 1 of the year after you reach 72. Everyone who turned 70 1/2 in 2019, continues under old rules.

Employer Retirement Plans

	2022	2023
Elective Deferrals 401(k), 403(b), 457	\$20,500	\$22,500
Catch-Up 401(k), 403(b), 457 (Age 50 & older)	\$6,500	\$7,500
Defined Contribution Plan Limit	\$61,000	\$66,000
Highly Compensated Employee	\$135,000	\$150,000
Maximum Includable Compensation	\$305,000	\$330,000
Annual Benefit Limit	\$245,000	\$265,000
Key Employee	\$200,000	\$215,000
SEP IRA Annual Addition Limit	\$61,000	\$66,000
Simple IRA Limit	\$14,000	\$15,500
Simple IRA Catch-up	\$3,000	\$3,500

Health Savings Account Deduction/Contribution Limits

	Minimum Deductible	Maximum Out-of-Pocket	Deduction/Contribution Limit	55+ Catch-up
Single	\$1,500	\$7,500	\$3,850	\$1,000
Family	\$3,000	\$15,000	\$7,750	\$1,000

Life Expectancy					
IRS Life Expectancy Tables					
Age	Single	Joint	Age	Single	Joint
50	36.2	42.3	71	18	22.5
51	35.3	41.3	72	17.2	21.6
52	34.3	40.3	73	16.4	20.7
53	33.4	39.4	74	15.6	19.8
54	32.5	38.4	75	14.8	18.9
55	31.6	37.4	76	14.1	18.1
56	30.6	36.5	77	13.3	17.2
57	29.8	35.5	78	12.6	16.4
58	28.9	34.5	79	11.9	15.6
59	28	33.6	80	11.2	14.7
60	27.1	32.6	81	10.5	14
61	26.2	31.7	82	9.9	13.2
62	25.4	30.8	83	9.3	12.4
63	24.5	29.8	84	8.7	11.7
64	23.7	28.9	85	8.1	11
65	22.9	28	86	7.6	10.4
66	22	27	87	7.1	9.7
67	21.2	26.1	88	6.6	9.1
68	20.4	25.2	89	6.1	8.5
69	19.6	24.3	90	5.7	8
70	18.8	23.4			

Joint = Joint life expectancy of male and female of the same age

Required Distribution Options After Death

Designated Beneficiary	Death Prior to RBD	Death on or After RBD
Spouse	Treat as Own Life Expectancy 5-Year Rule	Treat as Own Life Expectancy
Non-Spouse	Life Expectancy 5-Year Rule	Life Expectancy
Non-Spouse (After 12/31/19)	10-Year Rule	10-Year Rule

RBD = Required Beginning Date for RMD's

Exceptions to the 10% penalty for distributions prior to age 59 1/2

	NQ Annuity	Qual Plans	IRAs
Death	X	X	X
Disability	X	X	X
SEPP 72(t)	X	X	X
Medical Expenses (> 7.5% AGI)		X	X
Birth or Adoption of Child		X	X
Age 55: Separated From Service/QDRO		X	
Health Ins. Prem. for Unemployed			X
Qual. First Time Homebuyer / Reservist			X
College Expenses			X

Standard Deduction

Filing Status	2022	2023
Single	\$12,950	\$13,850
Married Filing Joint	\$25,900	\$27,700
Head of Household	\$19,400	\$20,800
Married filing Separate	\$12,950	\$13,850

Additional \$1,500 if >65 or blind. Additional \$1,850 if unmarried.

Misc. Exemption & Deductions	
Personal Exemption	Eliminated
Mortgage Interest Deduction	Debt Limit: \$750,000
Medical Expenses	Deductible if > 7.5% AGI
Moving Expenses	Only For Military

Long Term Care Insurance Deduction

Deductible after exceeding 7.5% of the AGI in medical expenses.		
Age	2022	2023
< 40	\$450	\$480
41-50	\$850	\$890
51-60	\$1,690	\$1,790
61-70	\$4,520	\$4,770
> 70	\$5,640	\$5,960

FICA/Social Security & Medicare

	Social Security Tax	Medicare Tax	FICA Tax (total)
Employee portion	6.2%	1.45%	7.65%
Employer portion	6.2%	1.45%	7.65%
Totals	12.4%	2.9%	15.3%
Self-employed	12.4%	2.9%	15.3%
Totals	12.4%	2.9%	15.3%

Earned Income Subject to Tax

Year	Max Earned Income Subject to Social Security Tax
2020	\$137,700
2021	\$142,800
2022	\$147,000
2023	\$160,200

Capital Gain/Dividend Rates

	Single	MFJ	HoH	MFS	ST <12 mo.	LT >12 mo.	Qualified Dividends
<\$44,625	<\$44,625	\$44,626 - \$492,300	<\$59,750	<\$44,625	Ordinary	Ordinary	0%
\$44,626 - \$492,300	\$44,626 - \$492,300	\$89,251 - \$553,850	\$59,751 - \$452,305	\$44,626 - \$276,900	15%	15%	15%
>\$492,300	>\$492,300	>\$553,850	>\$452,305	>\$276,900	20%	20%	20%

Medicare Tax & Net Investment Income Tax (NIIT)

	Medicare Tax - 0.9% & NIIT - 3.8% on the lesser of net investment income or MAGI over the following thresholds:
Single	\$200,000
Married Filing Joint (MFJ)	\$250,000
Head of Household (HoH)	\$200,000
Married Filing Separate Returns (MFS)	\$125,000
Qualifying widow(er) with dependent child	\$250,000

Alternative Minimum Tax (AMT) Exemptions

	Exemption
Individuals	\$81,300
Married Filing Jointly & Surviving Spouse	\$126,500
Married Filing Separately	\$63,250
Trusts & Estates	\$28,400

Income Tax Rates for Trusts & Estates

Taxable Income	Tax is	Plus	Over
Over	Not Over		
\$0	\$2,900	\$0	10%
\$2,901	\$10,550	\$290	24%
\$10,551	\$14,450	\$2,126	35%
\$14,451	-	\$3,491	37%
			\$0
			\$2,900
			\$10,550
			\$14,450

## Social Security

### Full Retirement Age (FRA)

Year of Birth	Full Retirement Age	Number of Reduction Months	Percent of Reduction
1943-1954	66	48	25.00%
1955	66 and 2 months	50	25.83%
1956	66 and 4 months	52	26.67%
1957	66 and 6 months	54	27.50%
1958	66 and 8 months	56	28.33%
1959	66 and 10 months	58	29.17%
1960 or later	67	60	30.00%

Max SS Benefit Per Month	2022	2023
	\$3,345	\$3,627

### Early Retirement Reduction

Starting Age for Benefits	Percent benefit reduction for those born 1943-1954
62	25.0%
63	20.0%
64	13.3%
65	6.7%
66	0%

\* 5/9 of 1%: Benefits are reduced by 5/9 of 1% per month, up to a maximum of 36 months, depending on how many months remain until the taxpayer reaches FRA.

\* 5/12 of 1%: If a taxpayer is more than 36 months from FRA, the reduction above is applied and for the remaining months until retirement the benefits are reduced to 5/12 of 1%.

### Earnings Cap

Retirement Profile	2022	2023
Under full retirement age*	\$19,560	\$21,240
Retires in year when reaches FRA	\$51,960	\$56,520
Full retirement age	No cap	No cap

\* For workers under full retirement age, \$1 in benefits will be withheld for every \$2 in earnings above the cap.

\* In the year you reach full retirement age, \$1 in benefits will be withheld for every \$3 in earnings above the cap

### Delayed Retirement

Benefits increase two-thirds of 1 percent a month, or 8 percent a year, for a taxpayer born in 1942 or later.

### Survivor Benefits\*

Age of Survivor	Percentage of Benefit
60	71.5%
61	76.3%
62	81.0%
63	85.8%
64	90.5%
65	95.3%

\*Based on a FRA of 66

## Social Security & Divorce

### Benefits for Divorced Spouses\*

Ex-spouse must be at least age 62 before applying, but does not have to wait until the other spouse applies for benefits.

## Social Security & Divorce Cont.

- must have been married at least ten years
- must have been divorced at least two years

\*does not reduce primary ex-spouse's benefit

### Reduction for Divorced Spouses Claiming Early

- Step 1: Reduce the primary worker's benefit by 50% to get the *base amount*.
- Step 2: Determine how many months early the claim is being filed.
- Step 3: Calculate the reduction in the spousal benefit
- Step 4: Reduce spousal benefit by the percentage calculated in step 3

25/36 of 1% x 36 months = 25%
5/12 of 1% x 12 months = 5%
<b>Total Reduction = 30%</b>

\*Based on a FRA of 66

## Taxation of Social Security Benefits

Combined Income	Percent of Income Subject to Taxes
Adjusted gross income (AGI, line 37 on Form 1040)	
+ Nontaxable interest	
+ Half of Social Security benefits	
<b>= Combined Income</b>	

Filing Status	Combined Income	Percent of Income Subject to Taxes
Single, Head of Household, Qualifying Widow	\$25,000 - \$34,000	Up to 50% of Social Security Benefits
Single, Head of Household, Qualifying Widow	More than \$34,000	Up to 85% of Social Security Benefits
Married Filing Joint	\$32,000 - \$44,000	Up to 50% of Social Security Benefits
Married Filing Joint	More than \$44,000	Up to 85% of Social Security

## Medicare Premiums

The standard Part B premium for 2023 is \$164.90 if you're single and filing an individual tax return, or married and filed a joint tax return, the following chart applies:

*Use form SSA-44 to adjust premiums in the middle of a plan year if there is a drastic income change.*

Modified Adjusted Gross Income (MAGI)	Part B Monthly Premium	R <sub>x</sub> Coverage Premium
<b>2023</b>		
<b>Ind.:</b> \$97,000 or less	\$164.90	Plan Premium
<b>Married:</b> \$194,000 or less		
<b>Ind.:</b> \$97,000 - \$123,000	Standard Premium + \$65.90	\$12.40 + your plan premium
<b>Married:</b> \$194,001 - \$246,000		
<b>Ind.:</b> \$123,001 - \$153,000	Standard Premium + \$164.80	\$31.50 + your plan premium
<b>Married:</b> \$246,001 - \$306,000		
<b>Ind.:</b> \$153,001 - \$183,000	Standard Premium + \$263.70	\$50.70 + your plan premium
<b>Married:</b> \$306,001 - \$366,000		
<b>Ind.:</b> \$183,000 - \$500,000	Standard Premium + \$362.60	\$70.00 + your plan premium
<b>Married:</b> \$366,001 - \$750,000		

## Medicare Premiums Cont.

If you're married and lived with your spouse at some time during the taxable year, but filed separate tax returns, the following applies:

Modified Adjusted Gross Income (MAGI)	Part B Monthly Premium	R <sub>x</sub> Coverage Premium
<b>2023</b>		
<b>Ind.:</b> \$97,000 or less	\$170.10	Plan Premium
<b>Ind.:</b> \$97,000 - \$403,000	Standard Premium + \$362.60	\$70 + your plan premium
<b>Ind.:</b> \$403,000 or greater	Standard Premium + \$395.60	\$76.40 + your plan premium

## Personal Income Tax Rates

Taxable Income		Tax Is	Plus	Amount Over
Over	Not Over			
\$0	\$11,000	\$0	10.0%	\$0
\$11,001	\$44,725	\$1,100	12.0%	\$11,000
\$44,726	\$95,375	\$5,147	22.0%	\$44,725
\$95,376	\$182,100	\$16,290	24.0%	\$95,375
\$182,101	\$231,250	\$37,103	32.0%	\$182,100
\$231,251	\$578,125	\$52,831	35.0%	\$231,250
\$578,126	and over	\$174,237	37.0%	\$578,125

### Single

### Married Filing Joint (MFJ)

Over	Not Over			
\$0	\$22,000	\$0	10.0%	\$0
\$22,001	\$89,450	\$2,200	12.0%	\$22,000
\$89,451	\$190,750	\$10,294	22.0%	\$89,450
\$190,751	\$364,200	\$32,580	24.0%	\$190,750
\$364,201	\$462,500	\$74,207	32.0%	\$364,200
\$462,501	\$693,750	\$105,663	35.0%	\$462,500
\$693,751	and over	\$186,600	37.0%	\$693,750

### Head of Household (HoH)

Over	Not Over			
\$0	\$15,700	\$0	10.0%	\$0
\$15,701	\$59,850	\$1,570	12.0%	\$15,700
\$59,851	\$95,350	\$6,868	22.0%	\$59,850
\$95,351	\$182,100	\$14,678	24.0%	\$95,350
\$182,101	\$231,250	\$35,497	32.0%	\$182,100
\$231,251	\$578,100	\$51,225	35.0%	\$231,250
\$578,101	and over	\$172,622	37.0%	\$578,100

### Married Filing Separate Returns (MFS)

Over	Not Over			
\$0	\$11,000	\$0	10.0%	\$0
\$11,001	\$44,725	\$1,100	12.0%	\$11,000
\$44,726	\$95,375	\$5,147	22.0%	\$44,725
\$95,376	\$182,100	\$16,290	24.0%	\$95,375
\$182,101	\$231,250	\$37,103	32.0%	\$182,100
\$231,251	\$346,875	\$52,831	35.0%	\$231,250
\$346,876	and over	\$93,300	37.0%	\$346,875

## Estate Tax Exclusion Rates

	Exclusion Equivalent	Top Estate Tax Rate
<b>2014</b>	\$5,340,000	35%
<b>2015</b>	\$5,430,000	35%
<b>2016</b>	\$5,450,000	40%
<b>2017</b>	\$5,490,000	40%
<b>2018</b>	\$11,120,000	40%
<b>2019</b>	\$11,400,000	40%
<b>2020</b>	\$11,580,000	40%
<b>2021</b>	\$11,700,000	40%
<b>2022</b>	\$12,060,000	40%
<b>2023</b>	\$12,920,000	40%

Subtract applicable credit from tax calculated above

## Gift Tax and GST Tax

	Individual	Couple
<b>Annual gift tax exclusion (per beneficiary)</b>	\$17,000	\$34,000
<b>Unified estate and gift tax credit</b>	\$12,920,000	\$25,840,000
<b>GST Exclusion:</b>	\$24,120,000	

## Taxable Estates & Gifts

Over	Not Over	Tax on Column 1	Rate on Excess
\$0	\$10,000	\$0	18%
\$10,000	\$20,000	\$1,800	20%
\$20,000	\$40,000	\$3,800	22%
\$40,000	\$60,000	\$8,200	24%
\$60,000	\$80,000	\$13,000	26%
\$80,000	\$100,000	\$18,200	28%
\$100,000	\$150,000	\$23,800	30%
\$150,000	\$250,000	\$38,800	32%
\$250,000	\$500,000	\$70,800	34%
\$500,000	\$750,000	\$155,800	37%
\$750,000	\$1,000,000	\$248,300	39%
\$1,000,000	and over	\$345,800	40%

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