

# 2012 Annual Limits Relating to Financial Planning



AMERICAN RETIREMENT  
& Investment Strategies, LLC

## Traditional and Roth IRAs

Traditional and Roth IRA Contribution Limits	\$5,000
Traditional and Roth IRA Catch-up Contributions	\$1,000
IRA Deduction Phase-out for Active Participants	
Single	\$58,000 - \$68,000
Married Filing Jointly	\$92,000 - \$112,000
IRA Deduction Phase-out for Spousal Contributions	
Married Filing Jointly	\$173,000 - \$183,000
Roth IRA Contribution Phase-out	
Single	\$110,000 - \$125,000
Married Filing Jointly	\$173,000 - \$183,000
Married Filing Separately	\$0 - \$10,000

## Employer Retirement Plans

Elective deferrals for 401(k), 403(b), 457 and SAR-SEPs	\$17,000
401(k), 403(b), 457 and SAR-SEP Catch-Up Contribution	\$5,500
Defined Contribution Plan Limit	\$50,000
SEP IRA Contribution	\$50,000 up to 25%
Maximum Annual Defined Benefit Limit	\$200,000
SIMPLE IRA and SIMPLE 401 (k) Contribution	\$11,500
SIMPLE IRA and SIMPLE 401 (k) Catch-Up Contribution	\$2,500
SIMPLE Maximum Compensation (11,500 / 3%)	\$383,333
Maximum Includable Compensation	\$250,000
Highly Compensated Employee	\$115,000
Key Employee	> \$165,000
SEP Minimum Earnings Limit	\$550
IRS Mileage Rate (Business / Medical, Moving / Charitable purpose)	\$.555 / \$.235 / \$.14 per mile
Savers Credit (MAGI) [Maximum Credit is \$2,000 for couples, \$1,000 per individual]	
Joint (Max income \$57,500)	\$0 - \$34.5 K 50% Phase out 20%, 10%
Single (Max income \$28,750)	\$0 - \$17.25 K 50% Phase out 20%, 10%

## Education Funding Incentives

Coverdell Education Savings Account Annual Contribution Limit (Per Beneficiary)	\$2,000
Single	\$95,000 - \$110,000
Married filing jointly	\$190,000 - \$220,000
Phase outs of American Opportunity Tax Credit (Max. Credit \$2,500/student for 4 years)	
Single	Phase Out \$80,000 - \$90,000
Married filing jointly	Phase Out \$160,000 - \$180,000
Phase out of exclusion for EE bonds (MAGI)	
Single	\$72,850 - \$87,850
Married filing jointly	\$109,250 - \$139,250
Phase outs of Lifetime Learning Tax Credits	
Max. Credit \$2,000/return (Cannot take both credits in same year)	
Single	\$52,000 - \$62,000
Married filing jointly	\$104,000-\$124,000
Phase outs of Deductibility of Student Loan Interest (Maximum \$2,500)	
Others	\$60,000 - \$75,000
Married filing jointly	\$125,000 - \$155,000

*Compliments of your Financial Advisors – Joseph Grella CFP® and William D’Annibale  
For Information Purposes Only, seek tax advice from an independent tax advisor*

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## Federal Estate and Gift Taxes

Annual Gift Tax Exclusion	\$13,000
Estate Tax Exclusion and Generation-Skipping Tax Exclusion	\$5,120,000
Federal Gift Tax Exclusion	\$5,120,000
Top Estate, Gift and GST Tax Rate	35% (Estate & Trusts Bene. 35%)

## Federal Income Taxes

Personal exemption	\$3,800
Phase out of personal exemption	
Single	No phaseout
Married filing jointly	No phaseout
Married filing separately	No phaseout
Standard Deduction	
Single or Married filing separately	\$5,950
Married filing jointly	\$11,900
Head of Household	\$8,700
Elderly or blind additional deduction	
Single	\$1,450
Married filing jointly	\$1,150
Phase out of Itemized Deductions (Single/MFJ)	No phaseout
Kiddie Tax Standard Deduction (Under Age 19 or 24 if a full time student)	\$950, Next \$950 is 10%
Capital Gains Tax	
10% and 15% Brackets	STG Ordinary Rate, LTG 0%
All Other Brackets	STG Ordinary Rate, LTG 15%
AMT Exemption	Married Filing Jointly \$74,450      Single \$48,450 Exemption

## Social Security

Taxable Wage Base	\$110,100
Social Security Tax Rate (Combine)	
Old-Age, Survivors and Disability Insurance	10.40% Self-employed, 4.2% Employees
Hospital Insurance	2.9% Self-employed, 1.45% Employees
Earnings limitations for Social Security Benefits	
Before Normal Retirement Age (\$1 in benefits withheld for every \$2 in earnings over limit)	\$14,640 (\$1,220/mn)
The Year the Individual Reaches Full Retirement Age (\$1 for every \$3 over limit)	\$38,880 (\$3,240/mn)
Income (in retirement) causing SS benefits to be taxed :	Married Filing Jointly (50% / 85% Taxable)
	\$32K MAGI / \$44k MAGI
	Single (50% / 85%)
	\$25K MAGI / \$34k MAGI
Cost of Living Adjustment	3.6%
Quarter of Coverage	\$1,130
Maximum benefit retiring at age 66	\$2,513/month

## Long Term Care Insurance & Health Savings Account (HSA)

Per Diem Daily Limit	\$310
Premium as a deductible medical expense limitation (Per person)	
Age 40 or under	\$350
Age 41 - 50	\$660
Age 51 - 60	\$1,310
Age 61 - 70	\$3,500
Age 71 or older	\$4,370
HSA Contribution Maximum (Age 55 to 64 there is a catch-up of \$1000 - per married individual)	\$3,100 (Single) \$6,250 (Family)

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