

# 2014 Annual Limits Relating to Financial Planning



AMERICAN RETIREMENT  
& Investment Strategies, LLC

## Traditional and Roth IRAs

Traditional and Roth IRA Contribution Limits	\$5,500
Traditional and Roth IRA Catch-up Contributions	\$1,000
IRA Deduction Phase-out for Active Participants	
Single	\$60,000 - \$70,000
Married Filing Jointly	\$96,000 - \$116,000
IRA Deduction Phase-out for Spousal Contributions	
Married Filing Jointly	\$181,000 - \$191,000
Roth IRA Contribution Phase-out	
Single	\$114,000 - \$129,000
Married Filing Jointly	\$181,000 - \$191,000

## Employer Retirement Plans

Elective deferrals for 401(k), 403(b), 457 and SAR-SEPs	\$17,500
401(k), 403(b), 457 and SAR-SEP Catch-Up Contribution	\$5,500
Defined Contribution Plan Limit	\$52,000
SEP IRA Contribution	\$52,000 up to 25%
Maximum Annual Defined Benefit Limit	\$210,000
SIMPLE IRA and SIMPLE 401(k) Contribution	\$12,000
SIMPLE IRA and SIMPLE 401(k) Catch-Up Contribution	\$2,500
SIMPLE Maximum Compensation (12,000 / 3%)	\$400,000
Maximum Includable Compensation	\$260,000
Highly Compensated Employee	\$115,000
Key Employee	> \$170,000
SEP Minimum Earnings Limit	\$550
IRS Mileage Rate (Business / Medical, Moving / Charitable purpose)	\$.56 / \$.235 / \$.14 per mile
Savers Credit (MAGI) [Maximum Credit is \$2,000 for couples, \$1,000 per individual]	
Joint (Max income \$60,000)	\$0 - \$36 K 50% Phase out 20%, 10%
Single (Max income \$30,000)	\$0 - \$18 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 (Can be claimed for up to 4 years)	\$2,500
Single	\$80,000 - \$90,000
Married filing jointly	\$160,000 - \$180,000
Phase out of exclusion for EE bonds (MAGI)	
Single	\$76,000 - \$91,000
Married filing jointly	\$113,950 - \$143,950
Phase outs of Lifetime Learning Tax Credits (20% of qualified expenses up to \$10k)	
Max. Credit \$2,000/return (Cannot take both credits in same year)	
Single	\$54,000 - \$64,000
Married filing jointly	\$108,000-\$128,000
Phase outs of Deductibility of Student Loan Interest (Maximum \$2,500)	
Married Filing Jointly	\$130,000 - \$160,000
Others	\$65,000 - \$80,000

*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	\$14,000
Estate Tax Exclusion, Generation-Skipping Tax Exclusion, and Gift Tax Exclusion	\$5,340,000
Top Estate, Gift and GST Tax Rate	40% (Estate & Trusts Bene.)

## Federal Income Taxes

Personal exemption	\$3,950
Phase out of personal exemption	2% for every \$2,500 over same thresholds as deductions
Standard Deduction	
Single or Married filing separately	\$6,100
Married filing jointly	\$12,200
Head of Household	\$8,950
Elderly or blind additional deduction	
Single / Married filing jointly	\$1,500 / \$1,200
Phase out of Itemized Deductions (Single/MFJ)	3% over \$254.2K (single) or \$305.05k (married) up to 80%
Kiddie Tax Standard Deduction (Under Age 19 or 24 if a full time student)	\$1,000, Next \$1,000 is 10%
Capital Gains Tax	
10% and 15% Brackets	STG Ordinary Rate, LTG 0%
All Other Brackets	STG Ordinary Rate, LTG 15%, Over \$400k (s)/\$450k (mfj) 20%
Medicare Surtax	3.9% Income over \$200k (s)/\$250k (mfj)
AMT Exemption	Married Filing Jointly \$82,100      Single \$52,800

## Social Security

Taxable Wage Base (Soc. Sec. Maximum)	\$117,000
Social Security Tax Rate (Combine)	
Old-Age, Survivors and Disability Insurance	12.40% Self-employed, 6.2% Employees
Hospital Insurance	2.9% Self-employed, 1.45% Employees
Medicare Surtax	0.9% Employees Income over \$200k (s)/\$250k (mfj)
Earnings limitations for Social Security Benefits	
Before Normal Retirement Age (\$1 in benefits withheld for every \$2 in earnings over limit)	\$15,480 (\$1,290/mn)
The Year the Individual Reaches Full Retirement Age (\$1 for every \$3 over limit)	\$41,400 (\$3,450/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	1.5%
Quarter of Coverage	\$1,200
Maximum benefit retiring at age 66	\$2,642/month

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

Per Diem Daily Limit	\$330
Premium as a deductible medical expense limitation (Per person)	
Age 40 or under	\$370
Age 41 - 50	\$700
Age 51 - 60	\$1,400
Age 61 - 70	\$3,720
Age 71 or older	\$4,660
HSA Contribution Maximum (Age 55 to 64 there is a catch-up of \$1000 - per married individual)	\$3,300 (Single) \$6,550 (Family)

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