

Tax Brackets for 2023

Taxable income (i.e., income minus deductions and exemptions) between:

Married, Joint¹

\$0 - \$22,000	10%
\$22,001 - \$89,450	12%
\$89,451 - \$190,750	22%
\$190,751 - \$364,200	24%
\$364,201 - \$462,500	32%
\$462,501 - \$693,750	35%
Over \$693,750	37%

Capital gains/qualified dividends

\$0 - \$89,250	0%
\$89,251 - \$553,850	15%
Over \$553,850	20%

Single¹

\$0 - \$11,000	10%
\$11,001 - \$44,725	12%
\$44,726 - \$95,375	22%
\$95,376 - \$182,100	24%
\$182,101 - \$231,250	32%
\$231,251 - \$578,125	35%
Over \$578,125	37%

Capital gains/qualifications dividends

\$0 - \$44,625	0%
\$44,626 - \$492,300	15%
Over \$492,300	20%

Married, Separate¹

\$0 - \$11,000	10%
\$11,001 - \$44,725	12%
\$44,726 - \$95,375	22%
\$95,376 - \$182,100	24%
\$182,101 - \$231,250	32%
\$231,251 - \$346,875	35%
Over \$346,875	37%

Capital gains/qualifications dividends

\$0 - \$44,625	0%
\$44,626 - \$276,900	15%
Over \$276,900	20%

Head of Household¹

\$0 - \$15,700	10%
\$15,701 - \$59,850	12%
\$59,851 - \$95,350	22%
\$95,351 - \$182,100	24%
\$182,101 - \$231,250	32%
\$231,251 - \$578,100	35%
over \$578,100	37%

Capital gains/qualification dividends

\$0 - \$59,750	0%
\$59,751 - \$523,050	15%
Over \$523,050	20%

Estates and Trusts¹

\$0 - \$2,900	10%
\$2,901 - \$10,550	24%
\$10,551 - \$14,450	35%
over \$14,450	37%

Capital gains/qualification dividends

\$0 - \$3,000	0%
\$3,001 - \$14,650	15%
Over \$14,650	20%

Corporate Tax Rate

	21%
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Standard Deduction¹

Married, joint	\$27,700
Single	\$13,850
Married, separate	\$13,850
Head of Household	\$20,800

Blind or over 65: add \$1,500 if married; \$1,850 if single or head of household

Child/Dependent Tax Credit^{1,2}

Child \$2,000 per child up to \$1,600 refundable	\$83,350
Qualifying Dependent per dependent, nonrefundable	\$500

Mortgage Interest Deduction²

On acquisition or home improvement indebtedness up to \$750,000 incurred after 12/15/2017 for first or second home.

State and Local Tax Deduction Limit³

State and local income and property tax deduction
\$10,000
\$5,000 if married filing separately

IRA & Pension Plan Limits⁴

IRA contribution

Under age 50	\$6,500
Age 50 and over	\$7,500

Phaseout for deducting IRA contribution⁴

Married, joint	\$116,000 - \$136,000 AGI
Single, HOH ^a	\$73,000 - \$83,000 AGI
Married, separate	\$0 - \$10,000 AGI

Phaseout for deducting spousal IRA^{b,4}

\$218,000 - \$228,000 AGI

Phaseout of Roth contribution eligibility⁴

Married, joint	\$218,000 - \$228,000 MAGI
Single, HOH ^a	\$138,000 - \$153,000 MAGI
Married, separate	\$0 - \$10,000 MAGI

SEP contribution^{4,5}

Up to 25% of compensation, limit
\$66,000

Compensation to participate in SEP⁴

\$750

SIMPLE elective deferral⁴

Under age 50	\$15,500
Age 50 and over	\$19,000

401(k), 403(b)c, 457d and SARSEP elective deferral under age 50⁴

\$22,500

401(k), 403(b)c, 457d and SARSEP elective deferral age 50 and over⁴

\$30,000

Annual defined contribution limit⁴

\$66,000

Annual defined benefit limit⁴

\$265,000

Highly compensated employee⁴

\$150,000

Key employee in top-heavy plan⁴

\$215,000

Annual compensation taken into account for qualified plans⁴

\$330,000

Retirement Tax Credit⁶

A percentage tax credit for an IRA, 401(k), 403(b)c or 457d plan contribution, in addition to deduction or exclusion, if

Married, joint
Below \$73,000 MAGI

Head of Household
Below \$54,750 MAGI

Single; Married, separate
Below \$36,500 MAGI

Maximum qualified longevity annuity contract (QLAC) premium⁴

\$155,000

Alternative Minimum Tax Exemption Amount¹

Married, joint	\$126,500
Single, HOH ^a	\$81,300
Married, separate	\$63,250
Estates and Trusts	\$28,400

Gift and Estate Tax¹

Gift tax annual exclusion
\$17,000

Estate and gift tax rate
40%

Estate tax exemption
\$12,920,000

Lifetime gift exemption
\$12,920,000

GST exemption
\$12,920,000

Annual exclusion for gifts to noncitizen spouse
\$175,000

Additional Medicare Tax Where Income Exceeds \$200,000 (\$250,000 married, joint)⁷

Additional tax on excess of earned income^e
0.9%

Additional tax on net investment income^f
3.8%

Key

- a. Head of household.
- b. Assumes individual or spouse also participates in an employer-sponsored retirement plan.
- c. Special increased limit may apply to certain 403(b) contributions with 15 or more years of service.
- d. In last three years prior to year of retirement, 457 plan participant may be able to double elective deferral if needed to catch up on prior missed contributions, but if they do, they cannot use catch-up.
- e. Total employee Medicare tax is 1.45% + 0.9% = 2.35%
- f. Including interest, dividends, capital gains and annuity distributions.

Health Care

Eligible Long-Term Care Deduction Limit¹

Age 40 or younger	\$480
Ages 41 to 50	\$890
Ages 51 to 60	\$1,790
Ages 61 to 70	\$4,770
Ages over 70	\$5,960

Per Diem Limitation for LTC Benefits¹ \$420

Affordable Care Act: The Tax Cuts and Jobs Act eliminated the individual mandate penalty.²

Education

Coverdell Education Savings Account⁸ \$2,000

Coverdell contribution eligibility phaseout
 Married, joint \$190,000 - \$220,000
 All others \$95,000 - \$110,000

Student loan interest deduction limit¹ \$2,500
 Interest deduction is phased out
 Married, joint \$155,000 - \$185,000 MAGI
 All others \$75,000 - \$90,000 MAGI

Phaseout of Lifetime Learning Credits^{1,9}
 Married, joint \$160,000 - \$180,000
 All others \$80,000 - \$90,000

Tax-free savings bonds interest phaseout
 Married, joint \$137,800 - \$167,800 MAGI
 All others \$91,850 - \$106,850 MAGI

Social Security

Maximum wage base¹⁰ \$160,200
 Amount needed to earn one credit^{10,11} \$1,640
 Amount needed to earn four credits¹¹ \$6,560
 Social Security Tax Rates¹⁰
 Employee 7.65%
 Employer 7.65%
 Self-Employed 15.30%

Maximum monthly retirement¹⁰
 Benefit at full retirement age \$3,627
 Cost of Living Adjustment 8.7%

Income (in retirement) causing Social Security benefits to be taxable¹²

Married, joint	
Up to 50% taxable	\$32,000 MAGI
Up to 85% taxable	\$44,000 MAGI
Single	
Up to 50% taxable	\$25,000 MAGI
Up to 85% taxable	\$34,000 MAGI

Income is most income including municipal bond interest but only 1/2 of Social Security.

Earnings Limit and Benefit Reduction:¹⁰

In years prior to full retirement age, \$1 in benefits will be withheld for every \$2 of earnings in excess of \$21,240.

In the year of full retirement age, \$1 in benefits will be withheld for every \$3 of earnings in excess of \$56,520 (applies only to months of earnings prior to full retirement age).

There is no limit on earnings beginning the month an individual attains full retirement age.

Average monthly benefit (December 2021)¹³

Average monthly retirement benefit	
	Men \$1,838
	Women \$1,484
Average monthly survivor benefit	
	Men \$1,379
	Women \$1,563

About IRMAA

The income-related monthly adjusted amount (IRMAA) is a surcharge added to the Part B and Part D Medicare premiums of Medicare beneficiaries who earn over \$97,000 a year (or \$194,000 if you're married) and are enrolled in one or both of those Medicare plans.

High-income Medicare enrollees have been required to pay the Part B surcharge since 2007 and the Part D surcharge since 2011. IRMAA is determined by income from your income tax returns two years prior, and it is recalculated annually. The Social Security Administration will notify you if you will be assessed an IRMAA.

2023 IRMAA Part B Table¹⁴

*If an individual makes \$97,000 or more — or a household filing jointly makes \$194,000 or more — then the IRMAA assessment increases the 2023 Part B premium to the following amounts.

Individual	Joint	Monthly Premium
\$97,000 or less	\$194,000 or less	\$164.90 (no IRMAA)
>\$97,000 - \$123,000	>\$194,000 - \$246,000	\$230.80
>\$123,000 - \$153,000	>\$246,000 - \$306,000	\$329.70
>\$153,000 - \$183,000	>\$306,000 - \$366,000	\$428.60
>\$183,000 - \$500,000	>\$366,000 - \$750,000	\$527.50
Greater than \$500,000	Greater than \$750,000	\$560.50

2023 IRMAA Part D Table¹⁵

*The following income levels (based on 2021 tax returns) trigger the associated IRMAA surcharges in 2023.

Individual	Joint	Monthly Premium
\$97,000 or less	\$194,000 or less	your premium (no IRMAA)
>\$97,000 - \$123,000	>\$194,000 - \$246,000	\$12.20 + your premium
>\$123,000 - \$153,000	>\$246,000 - \$306,000	\$31.50 + your premium
>\$153,000 - \$183,000	>\$306,000 - \$366,000	\$50.70 + your premium
>\$183,000 - \$500,000	>\$366,000 - \$750,000	\$70.00 + your premium
Greater than \$500,000	Greater than \$750,000	\$76.40 + your premium

Note: If you are a Medicare Advantage (Part C) policy member — and that plan includes prescription drug benefits — both Part B and Part D IRMAAs are added to the plan premium. Medicare Advantage enrollees always pay the Part B premium in addition to any premium charged by their Advantage plan.

Sources

¹ Rev. Proc. 2022-38. <https://www.irs.gov/pub/irs-drop/rp-22-38.pdf>

² Tax Policy Center. <https://www.taxpolicycenter.org/briefing-book>

³ IRS. Dec 8, 2021. <https://www.irs.gov/taxtopics/tc503>

⁴ IR-2022-55. <https://www.irs.gov/pub/irs-drop/n-22-55.pdf>

⁵ IRC Sec. 402 (h)(2)

⁶ IRS. Dec. 6, 2021. <https://www.irs.gov/retirement-plans/plan-participant-employee/retirement-savings-contributions-savers-credit>

⁷ IRS. April 21, 2021. <https://www.irs.gov/individuals/net-investment-income-tax>

⁸ Savingforcollege.com. https://www.savingforcollege.com/intro_to_esas/?esa_faq_category_id=2

⁹ IRC Sec. 25A (c),(i)

¹⁰ Social Security Administration. <https://www.ssa.gov/news/press/factsheets/colafacts2023.pdf>

¹¹ Social Security Administration. <https://www.ssa.gov/benefits/retirement/planner/credits.html>

¹² IRC Sec. 86

¹³ Social Security Administration. https://www.ssa.gov/policy/docs/chartbooks/fast_facts/2022/fast_facts22.pdf

¹⁴ medicareresources.org. Nov. 1, 2022. <https://www.medicareresources.org/medicare-eligibility-and-enrollment/what-is-the-income-related-monthly-adjusted-amount-irmaa/>

¹⁵ medicareresources.org. Nov. 1, 2022. <https://www.medicareresources.org/medicare-eligibility-and-enrollment/what-is-the-income-related-monthly-adjusted-amount-irmaa/>

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