

2014 tax rates, schedules, and contribution limits

Investor Education

INCOME TAX				
	If taxable income is over but not over		The tax is	Of the amount over
Married/Filing jointly and qualifying widow(er)s	\$ 0	\$18,150	\$0.00 + 10%	\$ 0
	18,150	73,800	1,815.00 + 15%	18,150
	73,800	148,850	10,162.50 + 25%	73,800
	148,850	226,850	28,925.00 + 28%	148,850
	226,850	405,100	50,765.00 + 33%	226,850
	405,100	457,600	109,587.50 + 35%	405,100
	457,600	—	127,962.50 + 39.6%	457,600
Single	\$ 0	\$9,075	\$0.00 + 10%	\$ 0
	9,075	36,900	907.50 + 15%	9,075
	36,900	89,350	5,081.25 + 25%	36,900
	89,350	186,350	18,193.75 + 28%	89,350
	186,350	405,100	45,353.75 + 33%	186,350
	405,100	406,750	117,541.25 + 35%	405,100
	406,750	—	118,118.75 + 39.6%	406,750
Estates and trusts	\$ 0	\$2,500	\$0.00 + 15%	\$ 0
	2,500	5,800	375.00 + 25%	2,500
	5,800	8,900	1,200.00 + 28%	5,800
	8,900	12,150	2,068.00 + 33%	8,900
	12,150	—	3,140.50 + 39.6%	12,150

CORPORATE TAX				
	If taxable income is over but not over		The tax is	Of the amount over
\$	0	\$ 50,000	\$ 0 + 15%	\$ 0
	50,000	75,000	7,500 + 25%	50,000
	75,000	100,000	13,750 + 34%	75,000
	100,000	335,000	22,250 + 39%	100,000
	335,000	10,000,000	113,900 + 34%	335,000
	10,000,000	15,000,000	3,400,000 + 35%	10,000,000
	15,000,000	18,333,333	5,150,000 + 38%	15,000,000
	18,333,333	—	35%	0

EMPLOYER RETIREMENT PLANS	
Maximum elective deferral to retirement plans, e.g., 401(k), 403(b)	\$17,500
Catch-up contribution limit for 401(k), 403(b), and 457 plans	5,500
Maximum elective deferral to SIMPLE IRA plans	12,000
Catch-up contribution limit for SIMPLE plans	2,500
Maximum elective deferral to 457 plans of gov't and tax-exempt employers	17,500
Limit on annual additions to defined contribution plans	52,000
Annual compensation threshold requiring SEP contribution	550
Limit on annual additions to SEP plans	52,000
Maximum annual compensation taken into account for contributions	260,000
Annual benefit limit under defined benefit plans	210,000
Limitation used in definition of highly compensated employee	115,000
Health flexible spending account maximum salary reduction contribution	2,500

Sources: IRS and Social Security Administration updates 2013 and 2014.

CAPITAL GAINS TAX		
Tax bracket	Short-term ≤12 months	Long-term >12 months
10%, 15% brackets	Ordinary rate	0%
25%, 28%, 33%, 35% brackets	Ordinary rate	15%
39.6% bracket	Ordinary rate	20%

Additional 3.8% federal Medicare tax applies to individuals on the lesser of net investment income or modified AGI in excess of \$200,000 (single) or \$250,000 (married/filing jointly and qualifying widow(er)s). Also applies to any trust or estate on the lesser of undistributed net income or AGI in excess of the dollar amount at which the estate/trust pays income taxes at the highest rate.

TAX ON QUALIFIED DIVIDENDS	
Tax bracket	Tax
10%, 15% brackets	0%
25%, 28%, 33%, 35% brackets	15%
39.6% bracket	20%

Additional 3.8% federal Medicare tax applies to individuals on the lesser of net investment income or modified AGI in excess of \$200,000 (single) or \$250,000 (married/filing jointly and qualifying widow(er)s). Also applies to any trust or estate on the lesser of undistributed net income or AGI in excess of the dollar amount at which the estate/trust pays income taxes at the highest rate.

KIDDIE TAX	
\$0 to \$1,000	0%
Earned income > \$1,000	Child's tax rate
Unearned income > \$1,000, ≤ \$2,000	Child's tax rate
Unearned income > \$2,000	Generally, the parent's highest marginal tax rate

If a child's earned income represents not more than one half of support needs, the kiddie tax generally also applies to unearned income of children who have not attained age 19 by the close of the year, and children who are full-time students and have not attained age 24 as of the close of the year.

CHILD TAX CREDIT	
\$1,000 per child; phases out \$50 for each \$1,000 of modified AGI over \$110,000 (married/filing jointly) or \$75,000 (single)	

STANDARD DEDUCTIONS		
	Annual	Additional age 65+ or blind
Married/Filing jointly and qualifying widow(er)s	\$12,400	\$1,200
Single	\$6,200	\$1,550

PERSONAL EXEMPTIONS	
	Exemption
Married/Filing jointly and qualifying widow(er)s	\$3,950 each
Single	\$3,950

Phases out beginning with AGI over \$254,200 (single) or \$305,050 (married/filing jointly).

MAXIMUM QUALIFIED LONG-TERM-CARE INSURANCE PREMIUMS ELIGIBLE FOR DEDUCTION

Age	40 or less	>40, ≤50	>50, ≤60	>60, ≤70	Over 70
2014	\$370	\$700	\$1,400	\$3,720	\$4,660

Qualified LTC contract per diem limit: \$330.

TRADITIONAL IRAs

Maximum annual contribution (must be under age 70½)

Lesser of earned income or \$5,500

Up to \$5,500 contribution can also be made for nonworking spouse

Catch-up contributions (Taxpayers age 50 and over): \$1,000

TRADITIONAL IRA DEDUCTIBILITY TABLE

Filing status	Covered by employer's retirement plan	Modified AGI 2013	Modified AGI 2014	Deductibility
Single	No	Any amount	Any amount	Full
	Yes	\$59,000	\$60,000	Full
	Yes	\$59,001–\$68,999	\$60,001–\$69,999	Partial
	Yes	\$69,000 or more	\$70,000 or more	None
Married/Jointly	Neither spouse covered	Any amount	Any amount	Full
Married/Jointly	Both spouses covered	\$95,000 or less	\$96,000 or less	Full
		\$95,001–\$114,999	\$96,001–\$115,999	Partial
		\$115,000 or more	\$116,000 or more	None
Married/Jointly	Yes, but spouse is not covered	\$95,000 or less	\$96,000 or less	Full
		\$95,001–\$114,999	\$96,001–\$115,999	Partial
		\$115,000 or more	\$116,000 or more	None
Married/Jointly	No, but spouse is covered	\$178,000 or less	\$181,000 or less	Full
		\$178,001–\$187,999	\$181,001–\$190,999	Partial
		\$188,000 or more	\$191,000 or more	None

ROTH IRAs

Maximum annual contribution

Lesser of earned income or \$5,500

Up to \$5,500 contribution can also be made for nonworking spouse

Catch-up contributions (Taxpayers age 50 and over): \$1,000

Contribution eligibility

Modified AGI is not more than \$114,000 (single) or \$181,000 (married/filing jointly); phaseouts apply if Modified AGI is \$114,001–\$128,999 (single) or \$181,001–\$190,999 (married/filing jointly)

Deductibility

Contributions to Roth IRAs are not deductible

Conversion eligibility

There is no modified AGI restriction on eligibility for a Roth IRA conversion

BASE AMOUNT OF MODIFIED AGI CAUSING SOCIAL SECURITY BENEFITS TO BE TAXABLE

	50% taxable	85% taxable
Married/Filing jointly	\$32,000	\$44,000
Single	\$25,000	\$34,000

MAXIMUM EARNINGS BEFORE SOCIAL SECURITY BENEFITS ARE REDUCED

Under full retirement age (\$1 withheld for every \$2 above limit)	\$15,480
Full retirement age and over	No limit*

* Interim annual limit of \$41,400 applies for months prior to attaining full retirement age during year individual reaches full retirement age (\$1.00 withheld for every \$3.00 above limit).

This information is general in nature and is not meant as tax or legal advice. Tax laws are subject to change. Please consult your legal or tax advisor.

MAXIMUM COMPENSATION SUBJECT TO FICA TAXES

OASDI (Soc. Sec.) maximum	\$117,000
HI (Medicare) maximum	No limit

OASDI and HI tax rate: 15.3%, self-employed; 7.65%, employees. An additional 0.9% HI tax applies on individuals with wages or self employment income in excess of \$200,000 (single and qualifying widow(er)s) or \$250,000 (married/filing jointly).

DEATH/GIFTS OCCURRING IN 2014*

(subtract applicable credit from calculated tax)

If gift/gross estate is		The tax is	
over	but not over		Of the amount over
\$ 0	\$ 10,000	\$ 0 + 18%	\$ 0
10,000	20,000	1,800 + 20%	10,000
20,000	40,000	3,800 + 22%	20,000
40,000	60,000	8,200 + 24%	40,000
60,000	80,000	13,000 + 26%	60,000
80,000	100,000	18,200 + 28%	80,000
100,000	150,000	23,800 + 30%	100,000
150,000	250,000	38,800 + 32%	150,000
250,000	500,000	70,800 + 34%	250,000
500,000	750,000	155,800 + 37%	500,000
750,000	1,000,000	248,300 + 39%	750,000
1,000,000	—	345,800 + 40%	1,000,000

* Annual gift tax exclusion (2014): Individual, \$14,000; Married electing split gifts, \$28,000.

Combined lifetime gift tax and gross estate tax exemption: \$5,340,000.

GST tax exemption: \$5,340,000.

MODIFIED AGI PHASEOUTS FOR AMERICAN OPPORTUNITY TAX CREDIT

Married/Filing jointly	\$160,001–\$179,999
Others	\$80,001–\$89,999

MODIFIED AGI PHASEOUTS FOR LIFETIME LEARNING CREDIT

Married/Filing jointly	\$108,001–\$127,999
Single	\$54,001–\$63,999

MODIFIED AGI PHASEOUTS FOR EXCLUSION OF U.S. SAVINGS BOND INCOME USED FOR HIGHER EDUCATION EXPENSES

Married/Filing jointly	\$113,950–\$143,950
Others	\$76,000–\$91,000

MODIFIED AGI PHASEOUTS FOR CONTRIBUTIONS TO COVERDELL EDUCATION SAVINGS ACCOUNTS

Maximum contribution: \$2,000 per beneficiary, per year

Married/Filing jointly	\$190,001–\$219,999
Single	\$95,001–\$109,999

2014 AMT EXEMPTIONS

	Exemption
Single	\$52,800
Married/Filing jointly and qualifying widow(er)s	\$82,100
Estates and trusts	\$23,500

Phases out beginning with alternative minimum taxable income over \$117,300 (single) or \$156,500 (married/filing jointly and qualifying widow(er)s) or \$78,250 (estates and trusts). AMT ordinary income rate increases from 26% to 28% for alternative minimum taxable income over \$182,500 (married/filing jointly and qualifying widow(er)s, single, and estates and trusts).