



## 2012 ANNUAL LIMITS RELATING TO FINANCIAL PLANNING

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Retirement Plans	
Elective deferrals 401(k), 403(b), 457, and SARSEPs	\$17,000
Catch-up contribution	\$5,500
Defined contribution (§415(c)(1)(A))	\$50,000
Defined benefit (§415(b)(1)(A))	\$200,000
SIMPLE plan	\$11,500
SIMPLE catch-up contribution	\$2,500
Maximum includible compensation	\$250,000
Highly compensated employee in 2011	
For 2010 look back	>\$110,000
In 2012 for 2013 look back	>\$115,000
Key employee (top-heavy plan)	>\$165,000
SEP participation limit	\$550
IRA or Roth IRA contribution limit	\$5,000
IRA or Roth IRA catch-up	\$1,000
IRA deduction phaseout for active participants	
Single	\$58,000-\$68,000
Married filing jointly <sup>1</sup>	\$92,000-\$112,000
Married filing separately	\$0-\$10,000
Spousal IRA	\$173,000-\$183,000
Roth IRA phaseout	
Single	\$110,000-\$125,000
Married filing jointly	\$173,000-\$183,000

Social Security	
SS wage base	\$110,100
FICA tax rate—employee <sup>4</sup>	5.65%
SECA tax rate—self-employed	13.3%
Earnings limitation:	
Below FRA (\$1 for \$2)	\$14,640
Persons reaching FRA (\$1 for \$3)	\$38,880
(Applies only to earnings for months prior to attaining FRA)	
Social Security cost-of-living adjustment	3.6%
Quarter of coverage	\$1,130
Maximum benefit: worker retiring at FRA <sup>*See Social Security FRA below.</sup>	\$2,513
Estimated average monthly benefit	\$1,229

Social Security FRA			
Year of Birth	Social Security FRA	Year of Birth	Social Security FRA
1941	65 and 8 months	1957	66 and 6 months
1942	65 and 10 months	1958	66 and 8 months
1943–54	66	1959	66 and 10 months
1955	66 and 2 months	1960 and later	67
1956	66 and 4 months		

Estate and Gift Tax	
Annual gift tax exclusion	\$13,000
Estate tax basic exclusion <sup>6</sup>	\$5,120,000
Gift tax basic exclusion	\$5,120,000
Generation skipping exemption	\$5,120,000
Maximum estate tax rate <sup>6</sup>	35%

Medicare	
Monthly premium:	
Part A <sup>2</sup>	\$451.00
Part B <sup>*See Figure 1</sup>	\$99.90
Part A:	
First 60 days—patient pays a deductible	\$1,156
Next 30 days—patient pays per day	\$289
Next 60 days (lifetime reserve days) patient pays per day	\$578
Skilled nursing benefits	
First 20 days—patient pays per day	-0-
Next 80 days—patient pays per day	\$144.50
Over 100 days—patient pays per day	All costs
Part B:	
Deductible	\$140
Coinsurance <sup>3</sup>	20%
Part D (Prescription Standard Benefit Model):	
Deductible	\$320
25% coinsurance on next	\$2,930
Out-of-pocket (OOP) Threshold	\$4,700
Beneficiary then pays coinsurance amount for additional covered expenses.	

2012 Medicare Part B Premium rates:		
You Pay	If your yearly income is	
	Single	Married Couple
\$99.90 Base Prem	\$85,000 or less	\$170,000 or less
\$139.90	\$85,001–\$107,000	\$170,001–\$214,000
\$199.80	\$107,001–\$160,000	\$214,001–\$320,000
\$259.70	\$160,001–\$214,000	\$320,001–\$428,000
\$319.70	Above \$214,000	Above \$428,000

You Pay	If you are married but you file a separate tax return from your spouse and your yearly income is	
\$99.90	\$85,000 or less	
\$259.70	\$85,001–\$129,000	
\$319.70	Above \$129,000	

- For married couples who file a joint return and only one is an active participant, the AGI phaseout for the non-active participant spouse is \$173,000–\$183,000.
- The Part A premium of \$451.00 per month applies to persons who have fewer than 30 quarters of coverage under Social Security. For those having 30–39 quarters, the Part A Premium is \$248.00 per month.
- 40% is the coinsurance for mental healthcare.
- The FICA tax rate is comprised of two separate payroll taxes: Employer portion—6.20% for Old-Age, Survivors, and Disability Insurance (OASDI), and 1.45% for Hospital Insurance (HI); Employee portion—4.20% for Old-Age, Survivors, and Disability Insurance (OASDI), and 1.45% for Hospital Insurance (HI). For self-employed, the SECA is 10.40% for OASDI and 2.90% for HI. These numbers reflect the extension (through February 2012) of the payroll tax cut by the "Temporary Payroll Tax Cut Continuation Act of 2011."
- The Section 179 is likely to change, based on potential congressional action.
- The 2010 Tax Relief Act made a deceased spouse's unused credit amount portable to a surviving spouse, if both spouses die in 2011 or 2012.
- For tax years beginning in 2012, an eligible lower-income taxpayer can claim a nonrefundable tax credit for the applicable percentage (50%, 20%, or 10%, depending on filing status and AGI) of up to \$2,000 of his qualified retirement savings contributions, as outlined in the Saver's Credit chart.

Figure - J

Miscellaneous Items	
PBGC maximum monthly benefit (at age 65)	\$4,653
Archer Medical Savings Account	
Single high deductible	\$2,100-\$3,150
Family high deductible	\$4,200-\$6,300
Single out-of-pocket maximum	\$4,200
Family out-of-pocket maximum	\$7,650
LTC per diem limit	
	\$310
LTC premium as medical expense limitation	
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
Qualified Transportation Fringes (monthly)	
Commuter highway vehicle/transit pass	\$125
Qualified parking	\$240

Standard Mileage Rates	
Business use	55.5¢ per mile
Charitable use (not indexed)	14¢ per mile
Medical or moving use	23¢ per mile

2012 Tax Rate Schedules				
If Taxable Income Is		Then the Gross Tax Payable Is:		
Over	But Not Over	Amount	Plus (percent)	Of the Amount Over
<b>Single Taxpayers (other than surviving spouses and heads of households)</b>				
\$0-	\$8,700	\$0	10%	\$0
8,700-	35,350	870.00	15%	8,700
35,350-	85,650	4,867.50	25%	35,350
85,650-	178,650	17,442.50	28%	85,650
178,650-	388,350	43,482.50	33%	178,650
388,350-		112,683.50	35%	388,350
<b>Heads of Households</b>				
\$0-	\$12,400	\$0	10%	\$0
12,400-	47,350	1,240.00	15%	12,400
47,350-	122,300	6,482.50	25%	47,350
122,300-	198,050	25,220.00	28%	122,300
198,050-	388,350	46,430.00	33%	198,050
388,350-		109,229.00	35%	388,350
<b>Married Individuals (and surviving spouses) Filing Joint Returns</b>				
\$0-	\$17,400	\$0	10%	\$0
17,400-	70,700	1,740.00	15%	17,400
70,700-	142,700	9,735.00	25%	70,700
142,700-	217,450	27,735.50	28%	142,700
217,450-	388,350	48,665.00	33%	217,450
388,350-		105,062.00	35%	388,350
<b>Married Individuals Filing Separate Returns</b>				
\$0-	\$8,700	\$0	10%	\$0
8,700-	35,350	870.00	15%	8,700
35,350-	71,350	4,867.50	25%	35,350
71,350-	108,725	13,867.50	28%	71,350
108,725-	194,175	24,332.50	33%	108,725
194,175-		52,531.00	35%	194,175
<b>Fiduciary (estates and trusts) Taxpayers</b>				
\$0-	\$2,400	\$0	15%	\$0
2,400-	5,600	360.00	25%	2,400
5,600-	8,500	1,160.00	28%	5,600
8,500-	11,650	1,972.00	33%	8,500
11,650-		3,011.50	35%	11,650

Health Savings Account	
Minimum Deductible Amount	
Single	\$1,200
Family	\$2,400
Maximum Out-of-Pocket Amount	
Single	\$6,050
Family	\$12,100
HSA Statutory Contribution Maximum	
Single	\$3,100
Family	\$6,250
Catch-Up Contributions (age 55 or older)	\$1,000

Education	
EE bonds for education—exclusion phaseout	
Single	\$72,850-\$87,850
Married filing jointly	\$109,250-\$139,250
Coverdell Education Savings Account phaseout	
Single	\$95,000-\$110,000
Married filing jointly	\$190,000-\$220,000
Lifetime Learning Credit—20% of qualified expenses up to \$10,000	
Single	\$52,000-\$62,000
Married filing jointly	\$104,000-\$124,000
American Opportunity tax credit—Maximum of \$2,500	
100% up to \$2,000 of qualified expenses	
25% on next \$2,000—phaseout:	
Single	\$80,000-\$90,000
Married filing jointly	\$160,000-\$180,000
Education loan deduction (\$2,500) phaseout	
Unmarried	\$60,000-\$75,000
Married filing jointly	\$125,000-\$155,000

Saver's Credit			
Filing Status	50% Credit	20% Credit	10% Credit
Joint filers	\$0 to \$34,500	\$34,500 to \$37,500	\$37,500 to \$57,500
Heads of Households	\$0 to \$25,875	\$25,875 to \$28,125	\$28,125 to \$43,125
All other filers	\$0 to \$17,250	\$17,250 to \$18,750	\$18,750 to \$28,750

Income Tax Exemptions & Deductions	
Personal exemption	\$3,800
There is no phaseout of personal exemptions for 2012.	
Standard deduction	
Single	\$5,950
Joint	\$11,900
Head of household	\$8,700
Married—filing separately	\$5,950
Kiddie tax limited standard deduction	\$950
Individual eligible to be claimed as dependent—greater of \$950 or earned income plus \$300, not to exceed full standard deduction of \$5,950.	
Elderly or blind additional deduction	
Single	\$1,450
Married	\$1,150
There is no phaseout of itemized deductions for 2012.	
Section 179	
Maximum election	\$139,000
Phaseout begins	\$560,000
Adoption credit (nonrefundable for 2012)	
Maximum	\$12,650
Phaseout	\$189,710-\$229,710

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