



# 2014

## Tax Facts At-A-Glance



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## Income Taxes

2013

If Taxable Income is:

| Over | But Not Over | The Tax is | Of the Amount Over |
|------|--------------|------------|--------------------|
|------|--------------|------------|--------------------|

**Married Filing Jointly:**

|         |           |                  |           |
|---------|-----------|------------------|-----------|
| \$ 0    | \$ 17,850 | \$ 0 + 10%       | \$ 0      |
| 17,850  | 72,500    | 1,785 + 15%      | 17,850    |
| 72,500  | 146,400   | 9,982.50 + 25%   | 72,500    |
| 146,400 | 223,050   | 28,457.50 + 28%  | 146,400   |
| 223,050 | 398,350   | 49,919.50 + 33%  | 223,050   |
| 398,350 | 450,000   | 107,768.50 + 35% | 398,350   |
| 450,000 | And Over  | 125,846 + 39.6%  | \$450,000 |

**Single:**

|         |          |                    |         |
|---------|----------|--------------------|---------|
| \$ 0    | \$ 8,925 | \$ 0 + 10%         | \$ 0    |
| 8,925   | 36,250   | 892.50 + 15%       | 8,925   |
| 36,250  | 87,850   | 4,991.25 + 25%     | 36,250  |
| 87,850  | 183,250  | 17,891.25 + 28%    | 87,850  |
| 183,250 | 398,350  | 44,603.25 + 33%    | 183,250 |
| 398,350 | 400,000  | 115,586.25 + 35%   | 398,350 |
| 400,000 | And Over | 116,163.75 + 39.6% | 400,000 |

**Estates and Trusts:**

|        |          |                |        |
|--------|----------|----------------|--------|
| \$ 0   | \$ 2,450 | \$ 0 + 15%     | \$ 0   |
| 2,450  | 5,700    | 367.50 + 25%   | 2,450  |
| 5,700  | 8,750    | 1,180.50 + 28% | 5,700  |
| 8,750  | 11,950   | 2,034 + 33%    | 8,750  |
| 11,950 | And Over | 3,090 + 39.6%  | 11,950 |

2014

If Taxable Income is:

| Over | But Not Over | The Tax is | Of the Amount Over |
|------|--------------|------------|--------------------|
|------|--------------|------------|--------------------|

**Married Filing Jointly:**

|         |           |                    |           |
|---------|-----------|--------------------|-----------|
| \$ 0    | \$ 18,150 | \$ 0 + 10%         | \$ 0      |
| 18,150  | 73,800    | 1,815 + 15%        | 18,150    |
| 73,800  | 148,850   | 10,162.50 + 25%    | 73,800    |
| 148,850 | 226,850   | 28,925 + 28%       | 148,850   |
| 226,850 | 405,100   | 50,765 + 33%       | 226,850   |
| 405,100 | 457,600   | 109,587.50 + 35%   | 405,100   |
| 457,600 | And Over  | 127,962.50 + 39.6% | \$450,000 |

**Single:**

|         |          |                    |         |
|---------|----------|--------------------|---------|
| \$ 0    | \$ 9,075 | \$ 0 + 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 | And Over | 118,118.75 + 39.6% | 406,750 |

**Estates and Trusts:**

|        |          |                  |        |
|--------|----------|------------------|--------|
| \$ 0   | \$ 2,500 | \$ 0 + 15%       | \$ 0   |
| 2,500  | 5,800    | 375 + 25%        | 2,500  |
| 5,800  | 8,900    | 1,200 + 28%      | 5,800  |
| 8,900  | 12,150   | 2,068 + 33%      | 8,900  |
| 12,150 | And Over | 3,140.50 + 39.6% | 12,150 |

### Standard Deductions

2013

2014

|                                     |           |           |
|-------------------------------------|-----------|-----------|
| Married Filing Jointly              | \$ 12,200 | \$ 12,400 |
| Single                              | 6,100     | 6,200     |
| Additional (Age 65/older or blind): |           |           |
| Married                             | \$ 1,200  | \$ 1,200  |
| Unmarried and not surviving spouse  | 1,500     | 1,550     |

### Itemized Deductions

2013

2014

#### Income Over Applicable Amount Triggers Itemized Deduction Limitation\*

|                        |            |            |
|------------------------|------------|------------|
| Married Filing Jointly | \$ 300,000 | \$ 305,050 |
| Single                 | 250,000    | 254,200    |

\*Itemized deduction reduced by the lesser of (a) 3% of the adjusted gross income above the applicable amount, or (b) 80% of the amount of the itemized deductions otherwise allowable for the taxable year.

### Personal Exemptions

2013

2014

|                    |          |          |
|--------------------|----------|----------|
| Personal Exemption | \$ 3,900 | \$ 3,950 |
|--------------------|----------|----------|

#### Phase-Out Range for

|                        |                      |                      |
|------------------------|----------------------|----------------------|
| Married Filing Jointly | \$ 300,000 – 422,500 | \$ 305,050 – 427,550 |
| Single                 | 250,000 – 372,500    | 254,200 – 376,700    |

| Qualified Plans   | 2013      | 2014      |
|---|-----------|-----------|
| Maximum elective deferral to retirement plans (e.g., 401(k), 403(b), & 457)                     | \$ 17,500 | \$ 17,500 |
| 401(k), 403(b), 457 age 50+ catch-up contribution   | 5,500     | 5,500     |
| Maximum IRA contribution  | 5,500     | 5,500     |
| IRA age 50+ catch-up contribution   | 1,000     | 1,000     |
| Maximum elective deferral to SIMPLE plan  | 12,000    | 12,000    |
| SIMPLE IRA age 50+ catch-up contribution limit  | 2,500     | 2,500     |
| SEP minimum compensation amount   | 550       | 550       |
| Annual includable compensation limit  | 255,000   | 260,000   |
| Defined contribution plan annual addition limit   | 51,000    | 52,000    |
| Highly compensated employee compensation amount   | 115,000   | 115,000   |
| Annual retirement benefit limit under defined benefit plan (not to exceed 100% of compensation) | 205,000   | 210,000   |
| Definition of key employee in a top-heavy plan  | 165,000   | 170,000   |

| IRAs  | 2013                   | 2014                    |
|---|------------------------|-------------------------|
| <b>Phase-Out Range for Deductible Contributions to Traditional IRAs</b> |                        |                         |
| Married Filing Jointly  |                        |                         |
| Both spouses as participants in qualified plan                          | \$ 95,000 – \$ 115,000 | \$ 96,000 – \$ 116,000  |
| One spouse as participant in qualified plan                             | \$178,000 – \$ 188,000 | \$ 181,000 – \$ 191,000 |
| Single  | \$ 59,000 – \$ 69,000  | \$ 60,000 – \$ 70,000   |
| <b>Phase-Out Range for Contributions to Roth IRAs</b>                   |                        |                         |
| Married Filing Jointly  | \$178,000 – \$ 188,000 | \$ 181,000 – \$ 191,000 |
| Single  | \$112,000 – \$ 127,000 | \$ 114,000 – \$ 129,000 |

| Capital Gains Tax                     | 2013                | 2014                |
|---------------------------------------|---------------------|---------------------|
| Rate on gains for assets held:        | More than 12 months | More than 12 months |
| 15% income tax bracket or below       | 0%                  | 0%                  |
| 25%, 28%, 33%, 35% income tax bracket | 15%                 | 15%                 |
| 39.6% income tax bracket              | 20%                 | 20%                 |

| Kiddie Tax (under age 18 with unearned income) | 2013     | 2014     | Tax Bracket   |
|--|----------|----------|---------------|
| First  | \$ 1,000 | \$ 1,000 | No Tax        |
| Next   | 1,000    | 1,000    | Child's Rate  |
| Amounts Over                                   | 2,000    | 2,000    | Parents' Rate |

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## Scheduled Estate and Gift Tax Changes

| Year        | Top Estate Tax Rate | Estate Tax Exemption | Applicable Credit | Gift Tax Lifetime Exemption | Gift Tax Applicable Credit Amount | Top Gift Tax Rate |
|-------------|---------------------|----------------------|-------------------|-----------------------------|-----------------------------------|-------------------|
| 2005        | 47%                 | \$ 1.5 million       | \$ 555,800        | \$ 1 million                | \$ 345,800                        | 47%               |
| 2006        | 46%                 | 2 million            | 780,800           | 1 million                   | 345,800                           | 46%               |
| 2007        | 45%                 | 2 million            | 780,800           | 1 million                   | 345,800                           | 45%               |
| 2008        | 45%                 | 2 million            | 780,800           | 1 million                   | 345,800                           | 45%               |
| 2009        | 45%                 | 3.5 million          | 1,455,800         | 1 million                   | 345,800                           | 45%               |
| 2010*       | 35%                 | 5 million            | 1,730,800         | 1 million                   | 345,800                           | 35%               |
| 2011        | 35%                 | 5 million            | 1,730,800         | 5 million                   | 1,730,800                         | 35%               |
| 2012        | 35%                 | 5.12 million         | 1,772,800         | 5.12 million                | 1,772,800                         | 35%               |
| 2013        | 40%                 | 5.25 million         | 2,045,800         | 5.25 million                | 2,045,800                         | 40%               |
| <b>2014</b> | <b>40%</b>          | <b>5.34 million</b>  | <b>2,081,800</b>  | <b>5.34 million</b>         | <b>2,081,800</b>                  | <b>40%</b>        |

\*The Tax Relief, Unemployment Insurance Reauthorization and Job Creation Act of 2010 is retroactive. 2010 decedents are subject to estate taxes and get the benefit of a \$5 million exemption. However, executors of the estate of 2010 decedents get the option of electing back into the estate tax repeal. In other words, executors may choose: 1) application of the new law; or 2) no estate tax but application of the modified carried over basis regime (carryover basis with \$1.3 million and \$3 million basis adjustments).

## Gift Tax 2014

### Annual Gift Tax Exclusion:

Individual donor may gift \$14,000 per donee

Individual may gift to non-U.S. citizen spouse \$145,000

**Generation-Skipping Transfer Tax Exemption: \$5,340,000**

## Social Security

|   | 2013               | 2014               |
|---|--------------------|--------------------|
| Full Retirement Age*                          | 66 years, 6 months | 66 years, 6 months |
| Portion of Benefit Paid at Age 62*            | 72.5%              | 72.5%              |
| Income subject to social security tax (OASDI) | \$113,700          | \$117,000          |

\*Assumes born in 1957

## Maximum Earnings Before Social Security Benefits Are Reduced

|   | 2013     | 2014     |
|---|----------|----------|
| Before Full Retirement Age (lose \$1 for every \$2 of earnings) | \$15,120 | \$15,480 |
| Year of Full Retirement Age                                     | 40,080   | 41,400   |
| After Full Retirement   | no limit | no limit |

## FICA Limits

### Maximum Compensation Subject to FICA Taxes

|                                 | 2013      | 2014      |
|---------------------------------|-----------|-----------|
| OASDI (Social Security) maximum | \$113,700 | \$117,000 |
| HI (Medicare) maximum           | no limit  | no limit  |

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| 2013 & 2014 FICA Rates   | Self-Employed | Employee |
|--------------------------|---------------|----------|
| OASDI (Social Security)  | 12.4%         | 6.2%     |
| HI (Medicare)            | 2.9%          | 1.45%    |
| Additional Medicare Tax* | 0.9%          | 0.9%     |

\*Beginning in 2013, the additional Medicare tax applies to wages and self-employment income above the following thresholds:

| Filing Status | Wages or Self-Employment income above the threshold |
|---------------|---|
| MFJ           | >\$250,000  |
| MFS           | >\$125,000  |
| Others        | >\$200,000  |

| Education Incentives | 2013 | 2014 |
|----------------------|------|------|
|----------------------|------|------|

#### Phase-Outs for American Opportunity Credit/ Hope Scholarship Credit

|                        |                         |                         |
|------------------------|-------------------------|-------------------------|
| Married Filing Jointly | \$ 160,000 – \$ 180,000 | \$ 160,000 – \$ 180,000 |
| Others                 | \$ 80,000 – \$ 90,000   | \$ 80,000 – \$ 90,000   |

#### Phase-Outs for Lifetime Learning Credits

|                        |                         |                         |
|------------------------|-------------------------|-------------------------|
| Married Filing Jointly | \$ 107,000 – \$ 127,000 | \$ 108,000 – \$ 128,000 |
| Others                 | \$ 53,000 – \$ 63,000   | \$ 54,000 – \$ 64,000   |

#### Phase-Outs for Exclusion of U.S. Savings Bond Income

|                        |                         |                         |
|------------------------|-------------------------|-------------------------|
| Married Filing Jointly | \$ 112,050 – \$ 142,050 | \$ 113,950 – \$ 143,950 |
| Others                 | \$ 74,700 – \$ 89,700   | \$ 76,000 – \$ 91,000   |

#### Phase-Outs for Coverdell Education Savings Accounts

|                        |                                 |                                 |
|------------------------|---------------------------------|---------------------------------|
|                        | Maximum contribution of \$2,000 | Maximum contribution of \$2,000 |
| Married Filing Jointly | \$ 190,000 – \$ 220,000         | \$ 190,000 – \$ 220,000         |
| Single                 | \$ 95,000 – \$ 110,000          | \$ 95,000 – \$ 110,000          |

#### States With Separate Estate Tax

CT, DC, DE, HI, IL, MA, MD, ME, MN, NC, NJ, NY, OR, RI, VT, WA

#### States With Inheritance Tax

IA, IN, KY, MD, NE, NJ, PA, TN

#### Community Property States

AK\*, AZ, CA, ID, LA, NM, NV, TX, WA, WI

\*Opt-in community property state

#### Corporations (for all tax years since 1993)

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 | And Over     | 6,416,667 + 35% | 18,333,333         |

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