



LIFE INSURANCE



ADVANCED MARKETS

2014 Fingertip Tax Guide

INCOME TAXES 2014

If Taxable Income Is:¹

| | 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 | – | \$127,962.50 + 39.6% | \$457,600 |
| 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 | – | \$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 | – | \$3,140.50 + 39.6% | \$12,150 |

ALTERNATIVE MINIMUM TAX EXEMPTION AMOUNTS

| | 2013 | 2014 |
|---------------------------|----------|----------|
| Married Filing Jointly | \$80,800 | \$82,100 |
| Single | \$51,900 | \$52,800 |
| Married Filing Separately | \$40,400 | \$41,050 |

KIDDIE TAX (Under Age 19 With Unearned Income)²

| | 2013 | 2014 | Income Tax Bracket |
|--------------|---------|---------|--------------------|
| First | \$1,000 | \$1,000 | No Tax |
| Next | \$1,000 | \$1,000 | Child's Bracket |
| Amounts Over | \$2,000 | \$2,000 | Parents' Bracket |

STANDARD DEDUCTIONS

| | 2013 | 2014 |
|---------------------------|----------|----------|
| Married Filing Jointly | \$12,200 | \$12,400 |
| Single | \$6,100 | \$6,200 |
| Married Filing Separately | \$6,100 | \$6,200 |

| ITEMIZED DEDUCTION PHASEOUT | 2013 | 2014 |
|------------------------------------|-------------|-------------|
| Married Filing Jointly | \$300,000 | \$305,050 |
| Single | \$250,000 | \$254,200 |
| Married Filing Separately | \$150,000 | \$152,525 |

| PERSONAL EXEMPTION | 2013 | 2014 |
|---|-----------------------|-----------------------|
| Personal Exemption | \$3,900 | \$3,950 |
| Phaseout Income Range | | |
| Phaseout Income Range Married Filing Jointly | \$300,000 – \$422,500 | \$305,050 – \$427,550 |
| Phaseout Income Range Single | \$250,000 – \$372,500 | \$254,200 – \$376,700 |
| Phaseout Income Range Married Filing Separately | \$150,000 – \$211,250 | \$152,525 – \$213,775 |

| QUALIFIED PLANS | 2013 | 2014 |
|--|-------------|-------------|
| Maximum elective deferral to retirement plans (e.g., 401(k), 403(b) & 457(b) plans) ³ | \$17,500 | \$17,500 |
| 401(k) age 50+ catch-up contribution limit | \$5,500 | \$5,500 |
| Maximum IRA contribution limit | \$5,500 | \$5,500 |
| IRA age 50+ catch-up contribution limit | \$1,000 | \$1,000 |
| Maximum elective deferral to SIMPLE plan | \$12,000 | \$12,000 |
| SIMPLE plan age 50+ catch-up contribution limit | \$2,500 | \$2,500 |
| Annual includable compensation limit | \$255,000 | \$260,000 |
| Defined contribution plan annual addition limit | \$51,000 | \$52,000 |
| Highly compensated employee compensation limit | \$115,000 | \$115,000 |
| Annual retirement benefit limit under defined benefit plans (not to exceed 100% of compensation) | \$205,000 | \$210,000 |

| ROTH IRA INCOME LIMITS FOR CONTRIBUTIONS | 2013 | 2014 |
|--|-----------------------|-----------------------|
| Married Filing Jointly | \$178,000 – \$188,000 | \$181,000 – \$191,000 |
| Single or Married Filing Separately ⁴ | \$112,000 – \$127,000 | \$114,000 – \$129,000 |

| CAPITAL GAINS TAX | 2013 | 2014 |
|---|-------------|-------------|
| Capital gains on collectibles | 28% | 28% |
| Rates on gains for assets (other than collectibles and small business stock) held more than 12 months | | |
| 15% income tax bracket or below | 0% | 0% |
| 35% income tax bracket or below | 15% | 15% |
| 39.6% income tax bracket | 20% | 20% |

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 | – | \$6,416,667 + 35% | \$18,333,333 |

ESTATE & GIFT TAXES 2014

Subtract applicable estate tax exemption (below) to calculate estate tax. Estate and Generation-Skipping Transfer Tax Exemption 2014: \$5,340,000

If Taxable Estate Is:

| Over | But Not Over | The Tax Is | Of the Amount Over | |
|-------------|--------------|-----------------|--------------------|---|
| \$0 | \$10,000 | \$0 + 18% | \$0 | GIFT TAX EXEMPTIONS FOR 2014 Annual Gift Tax Exclusion: Individual donor may gift \$14,000 per donee Gift Tax Exemption: \$5,340,000 per person Annual Gift Tax Exclusion for a Non-Citizen Spouse: \$145,000 Maximum Gift Tax Rate: 40% |
| \$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 | |

SCHEDULED ESTATE TAX RATES AND EXEMPTIONS

| Year | Top Estate Tax Rate | Estate Tax Exemption | Applicable Credit |
|------|---------------------|----------------------|--------------------|
| 2002 | 50% | \$1 million | \$345,800 |
| 2003 | 49% | \$1 million | \$345,800 |
| 2004 | 48% | \$1.5 million | \$555,800 |
| 2005 | 47% | \$1.5 million | \$555,800 |
| 2006 | 46% | \$2 million | \$780,800 |
| 2007 | 45% | \$2 million | \$780,800 |
| 2008 | 45% | \$2 million | \$780,800 |
| 2009 | 45% | \$3.5 million | \$1,455,800 |
| 2010 | 0%* / 35% | \$0* / \$5 million | \$0* / \$1,730,800 |
| 2011 | 35% | \$5 million | \$1,730,800 |
| 2012 | 35% | \$5.12 million | \$1,772,800 |
| 2013 | 40% | \$5.25 million | \$2,045,800 |
| 2014 | 40% | \$5.34 million | \$2,081,800 |

SOCIAL SECURITY BENEFITS**2013****2014****Maximum Annual Earnings
Before Social Security Benefits Are Reduced**

| | | |
|--|----------|----------|
| Before Full Retirement Age (lose \$1 for every \$2 of earnings) | \$15,120 | \$15,480 |
| Year of Full Retirement Age (lose \$1 for every \$3 of earnings) | \$40,080 | \$41,400 |
| After Full Retirement | No limit | No Limit |

FICA INCOME LIMITS**2013****2014****Maximum Compensation Subject to FICA Taxes**

| | | |
|---|-----------|-----------|
| OASDI (Old-Age, Survivors and Disability Insurance; Soc. Sec maximum) | \$113,700 | \$117,000 |
| HI (Hospital Insurance; Medicare maximum) | No limit | No Limit |

LONG-TERM CARE**2013****2014****Periodic Payments Received Under Qualified Long-Term Care
Insurance Contracts or Under Certain Life Insurance Contracts**

| | | |
|----------------|-------|-------|
| Per Diem Limit | \$320 | \$330 |
|----------------|-------|-------|

* Tax consequences of a death during 2010 depend upon elections that are available only to such estates. The executor of such estates may elect (1) carryover basis of assets received from the decedent and an estate tax rate of 0%, or (2) stepped-up basis and estate taxation at the levels in effect in 2011 (e.g., top rate of 35%, exemption of \$5M, and an applicable credit of \$1,730,800).

- The rates listed are for the regular income tax. Some taxpayers may be subject to the Alternative Minimum Tax (AMT) instead; every taxpayer is responsible for paying the higher of the regular income tax or the AMT.
 - The Small Business and Work Opportunity Act of 2008 changed the "kiddie tax" age to include children ages 18 and under. In addition, the kiddie tax applies to children ages 19–24: 1) who are full-time students, 2) whose earned income does not exceed one-half of their support, and 3) who do not file a joint tax return.
 - The contribution limit is the same for regular and Roth 401(k) plans; a total of \$17,500 can be contributed in 2014 to one or both types of 401(k) plans.
 - The income eligibility for taxpayers who are married filing separately only applies if the individual taxpayer contributing to the IRA did not live with his/her spouse at any time during the year. If they did live together at any time during the year, then the taxpayer's adjusted gross income (AGI) must be \$10,000 or less to contribute to a Roth IRA. See IRS Publication 590.
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