

FEDERAL INCOME TAXES

MARRIED FILING JOINTLY & SURVIVING SPOUSES

TAXABLE INCOME	TAX RATE
\$0 - \$19,900	10.0%
\$19,900 - \$81,050	12.0%
\$81,050 - \$172,750	22.0%
\$172,750 - \$329,850	24.0%
\$329,850 - \$418,850	32.0%
\$418,850 - \$628,300	35.0%
Over \$628,300	37.0%

HEAD OF HOUSEHOLD

TAXABLE INCOME	TAX RATE
\$0 - \$14,200	10.0%
\$14,200 - \$54,200	12.0%
\$54,200 - \$86,350	22.0%
\$86,350 - \$164,900	24.0%
\$164,900 - \$209,400	32.0%
\$209,400 - \$523,600	35.0%
Over \$523,600	37.0%

UNMARRIED INDIVIDUALS

TAXABLE INCOME	TAX RATE
\$0 - \$9,950	10.0%
\$9,950 - \$40,525	12.0%
\$40,525 - \$86,375	22.0%
\$86,375 - \$164,925	24.0%
\$164,925 - \$209,425	32.0%
\$209,425 - \$523,600	35.0%
Over \$523,600	37.0%

MARRIED FILING SEPARATELY

TAXABLE INCOME	TAX RATE
\$0 - \$9,950	10.0%
\$9,950 - \$40,525	12.0%
\$40,525 - \$86,375	22.0%
\$86,375 - \$164,925	24.0%
\$164,925 - \$209,425	32.0%
\$209,425 - \$523,600	35.0%
Over \$523,600	37.0%

TRUSTS AND ESTATES

TAXABLE INCOME	TAX RATE
\$0 - \$2,650	10.0%
\$2,650 - \$9,550	24.0%
\$9,550 - \$13,050	35.0%
Over \$13,050	37.0%

STANDARD DEDUCTIONS

	2020	2021
SINGLE	\$12,550	\$12,400
MARRIED FILING JOINTLY	\$25,100	\$24,800
MARRIED FILING SEPARATELY	\$12,550	\$12,400
HEAD OF HOUSEHOLD	\$18,800	\$18,650
PERSONAL EXEMPTION	\$0	\$0

CAPITAL GAINS & DIVIDENDS

CAPITAL GAINS & DIVIDENDS

INCOME TAX BRACKET	RATE
0 - 12%	0%
22% - 35%	15%
37%	20%

UNEARNED INCOME MEDICARE CONTRIBUTION TAX

3.8% surtax applied to lower of Net Investment Income or MAGI over threshold

FILING STATUS	MAGI	RATE
SINGLE/HEAD OF HOUSEHOLD	\$200,000+	3.8%
MARRIED FILING JOINTLY	\$250,000+	3.8%
MARRIED FILING SEPARATELY	\$125,000+	3.8%
TRUSTS AND ESTATES	\$12,500	3.8%

GIFT & ESTATE TAX

	2020	2021
ANNUAL GIFT TAX EXCLUSION	\$15,000	\$15,000
UNIFIED CREDIT EXEMPTION	\$11,700,000	\$11,580,000
GIFT TO NON-CITIZEN SPOUSE	\$159,000	\$157,000
HIGHEST ESTATE TAX BRACKET	40%	40%

STATES WITH SEPARATE ESTATE TAX

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

STATES WITH INHERITANCE TAX

IA, KY, NE, PA

COMMUNITY PROPERTY STATES

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

*Opt-in community property state

RETIREMENT

TRADITIONAL IRA & ROTH IRA IRA-ROTH IRA CONTRIBUTION LIMIT

	2020	2021
CONTRIBUTION LIMIT	\$6,000	\$6,000
50+ CATCH-UP	\$1,000	\$1,000

TRADITIONAL IRA DEDUCTIBILITY PHASE-OUT BASED ON MAGI

PARTICIPANTS IN EMPLOYER PLANS

	2020	2021
MARRIED - JOINTLY	\$105,000 - \$125,000	\$104,000 - \$124,000
MARRIED - SEPARATELY	\$0 - \$10,000	\$0 - \$10,000
ALL OTHERS	\$66,000 - \$76,000	\$65,000 - \$75,000
NONPARTICIPANT MARRIED TO A PARTICIPANT	\$198,000 - \$208,000	\$196,000 - \$206,000

NEITHER SPOUSE A PARTICIPANT FULLY DEDUCTIBLE

ROTH IRA PHASE-OUT BASED ON MAGI

MARRIED - JOINTLY	\$198,000 - \$208,000	\$196,000 - \$206,000
MARRIED - SEPARATELY	\$0 - \$10,000	\$0 - \$10,000
ALL OTHERS	\$125,000 - \$140,000	\$124,000 - \$139,000

QUALIFIED PLANS

	2020	2021
401k, 403(b), 457(b) salary deferral	\$19,500	\$19,500
50+ Catch-up	\$6,500	\$6,500
SIMPLE salary deferral	\$13,500	\$13,500
50+ Catch-up	\$3,000	\$3,000
Maximum annual additions in a defined contribution plan	\$58,000	\$57,000
Maximum annual benefit in a defined benefit plan	\$230,000	\$230,000
Maximum compensation considered	\$290,000	\$290,000
Highly compensated employee	\$130,000	\$130,000
Maximum QLAC	\$135,000	\$135,000

Special catch-up rules applies to certain 403(b) contributors with 15 or more years of service and governmental 457(b) participants in the last 3 years before retirement.

EDUCATION

MAX DEDUCTION FOR STUDENT LOAN INTEREST

THE MAXIMUM DEDUCTION FOR STUDENT LOAN INTEREST IS \$2,500. THE DEDUCTION IS PHASED OUT AS FOLLOWS:

	2020	2021
PHASE-OUT ON SINGLE RETURN	\$70,000 - \$85,000	\$70,000 - \$85,000
PHASE-OUT ON JOINT RETURN	\$140,000 - \$170,000	\$140,000 - \$170,000

EDUCATION INCENTIVES

2021

PHASE-OUTS FOR AMERICAN OPPORTUNITY CREDIT/HOPE SCHOLARSHIP CREDIT

MARRIED FILING JOINTLY	\$160,000 - \$180,000
OTHERS	\$80,000 - \$90,000

PHASE-OUTS FOR LIFETIME LEARNING CREDITS

MARRIED FILING JOINTLY	\$119,000 - \$139,000
OTHERS	\$59,000 - \$69,000

PHASE-OUTS FOR EXCLUSION OF U.S. SAVINGS BOND INCOME

MARRIED FILING JOINTLY	\$124,800 - \$154,800
OTHERS	\$83,200 - \$98,200

529 PLAN CONTRIBUTIONS

\$15,000 per year per child	
Accelerate 5 years of gifting into:	
1 year per individual	\$75,000
per couple	\$150,000

SOCIAL SECURITY		
TAXABLE WAGE BASE	2020	2021
SOCIAL SECURITY (OASDI)	\$142,800	\$137,700
MEDICARE (HI ONLY)	NO LIMIT	NO LIMIT
RETIREMENT EARNING TEST		
UNDER FULL RETIREMENT AGE	\$18,960/yr (\$1,580/mo)	\$18,240/yr (\$1,520/mo)
<i>Note: One dollar in benefits will be withheld for every \$2 in earnings above the limit.</i>		
YEAR REACHING FULL RETIREMENT AGE	\$50,520/yr (\$4,210/mo)	\$48,600/yr (\$4,050/mo)
<i>Note: Applies only to earnings for months prior to attaining full retirement age. One dollar in benefits will be withheld for every \$3 in earnings above the limit.</i>		
TAXABILITY OF BENEFITS		
(Based on Provisional Income and Filing Status)		
	INDIVIDUAL	MARRIED FILED JOINT
NOT TAXABLE	Less than \$25,000	Less than \$32,000
UP TO 50% TAXABLE	\$25,000 - \$34,000	\$32,000 - \$44,000
UP TO 85% TAXABLE	Greater than \$34,000	Greater than \$44,000
MARRIED FILED SEPARATELY Up to 85% of benefits are taxable		
Provisional Income = Adjusted Gross Income + Nontaxable Income + 1/2 Social Security Benefits		
AGE TO RECIEVE FULL BENEFITS		
YEAR OF BIRTH	FULL RETIREMENT AGE	% REDUCED AT AGE 62
1943 - 1954	66	25.00%
1955	66 & 2 months	25.83%
1956	66 & 4 months	26.67%
1957	66 & 6 months	27.50%
1958	66 & 8 months	28.33%
1959	66 & 10 months	29.17%
1960 & Later	67	30.00%
DELAYED RETIREMENT CREDITS		
YEAR OF BIRTH	YEARLY RATE OF INCREASE	
1943 or later	8.0%	
<i>Accrues when you reach full retirement age until you start receiving benefits or reach age 70.</i>		

FICA TAX RATES		
	SELF-EMPLOYED	EMPLOYEE
OASDI (Social Security)	12.4%	6.2%
HI (Medicare)	2.9%	1.45%
Additional Medicare Tax*	0.9%	0.9%
<i>*Beginning in 2013, the additional Medicare tax applied to wages and self-employment income above the following thresholds:</i>		
FILING STATUS:	WAGES OR SELF-EMPLOYMENT INCOME ABOVE THE MAGI THRESHOLD:	
MARRIED-JOINTLY	>\$250,000	
MARRIED-SEPARATELY	>\$125,000	
OTHERS	>\$200,000	

UNIFORM LIFETIME TABLE							
AGE	DIVISOR	BALANCE	%ACCOUNT	AGE	DIVISOR	BALANCE	%ACCOUNT
				86		15.2	6.58
				87		14.4	6.94
72	27.3	3.66		88		13.6	7.35
73	26.4	3.79		89		12.9	7.75
74	25.5	3.92		90		12.1	8.26
75	24.6	4.07		91		11.4	8.77
76	23.7	4.22		92		10.8	9.26
77	22.8	4.39		93		10.1	9.90
78	21.9	4.57		94		9.5	10.52
79	21.0	4.76		95		8.9	11.24
80	20.2	4.95		96		8.3	12.05
81	19.3	5.18		97		7.8	12.82
82	18.4	5.43		98		7.3	13.70
83	17.6	5.68		99		6.8	14.71
84	16.8	5.95		100		6.4	15.63
85	16.0	6.25		101		5.9	16.95

HEALTH SAVINGS ACCOUNTS		
	2020	2021
CONTRIBUTION LIMITS		
SINGLE/FAMILY	\$3,600/\$7,200	\$3,550/\$7,100
AGE 55+ CATCH-UP	\$1,000	\$1,000
HIGH DEDUCTIBLE HEALTH PLANS		
MINIMUM DEDUCTIBLE SINGLE/FAMILY	\$1,400/\$2,800	\$1,400/\$2,800
MAXIMUM OUT OF POCKET SINGLE/FAMILY	\$7,000/\$14,000	\$6,900/\$13,800

LONG TERM CARE INSURANCE					
MAX QUALIFIED LTC PREMIUM ELIGIBLE FOR DEDUCTIONS: S CORP OWNERS - LLC OWNERS					
AGE	40 OR LESS	41-50	51-60	61-70	OVER 70
2020	\$430	\$810	\$1,630	\$4,340	\$5,480
2021	\$450	\$850	\$1,690	\$4,520	\$5,640
<i>Qualified LTC contract per diem limit: \$390 (\$380 in 2020)</i>					

BUSINESS INCOME TAXES	
C CORPORATIONS	
TAXABLE NET INCOME	21% TAX RATES
S CORPORATIONS AND LLCs	
TAXABLE K-1 PASS-THROUGH INCOME TO SHAREHOLDERS	INDIVIDUAL TAX RATES
<i>*"Qualified Business Income" is eligible for a 20% K-1 deduction (i.e. 37% bracket=29.6% net marginal rate)</i>	
<i>*Generally, "Specified Service Businesses" are NOT eligible for a 20% K-1 deduction unless entire taxable income (including K-1 pass-through profits) falls below certain thresholds.</i>	