

# 2021 Tax Reference Guide



Federal Income Tax Rates	
<b>SINGLE FILERS</b>	
Taxable Income	Tax Rate
\$0 – \$9,950	10%
\$9,950 – \$40,525	12%
\$40,525 – \$86,375	22%
\$86,375 – \$164,925	24%
\$164,925 – \$209,425	32%
\$209,425 – \$523,600	35%
Over \$523,600	37%
<b>MARRIED FILING JOINTLY</b>	
Taxable Income	Tax Rate
\$0 – \$19,900	10%
\$19,900 – \$81,050	12%
\$81,050 – \$172,750	22%
\$172,750 – \$329,850	24%
\$329,850 – \$418,850	32%
\$418,850 – \$628,300	35%
Over \$628,300	37%
<b>MARRIED FILING SEPARATELY</b>	
Taxable Income	Tax Rate
\$0 – \$9,950	10%
\$9,950 – \$40,525	12%
\$40,525 – \$86,375	22%
\$86,375 – \$164,925	24%
\$164,925 – \$209,425	32%
\$209,425 – \$314,150	35%
Over \$314,150	37%
<b>HEAD OF HOUSEHOLD</b>	
Taxable Income	Tax Rate
\$0 – \$14,200	10%
\$14,200 – \$54,200	12%
\$54,200 – \$86,350	22%
\$86,350 – \$164,900	24%
\$164,900 – \$209,400	32%
\$209,400 – \$523,600	35%
Over \$523,600	37%
<b>TRUSTS AND ESTATES</b>	
Taxable Income	Tax Rate
\$0 – \$2,650	10%
\$2,650 – \$9,550	24%
\$9,550 – \$13,050	35%
Over \$13,050	37%

Standard Deductions		
	2020	2021
Single	\$12,400	\$12,550
Married Filing Jointly	\$24,800	\$25,100
Married Filing Separately	\$12,400	\$12,550
Head of Household	\$18,650	\$18,800

Kiddie Tax		
The "kiddie tax" on net unearned income is:		
2020 & 2021	Income Tax Bracket	
First	\$1,100	No Tax
Next	\$1,100	Child's Bracket
Amounts Over	\$2,200	Parent's Bracket

Capital Gains & Dividends		
CAPITAL GAINS & DIVIDENDS		
	Income Tax Bracket	Rate
Single	\$0 - 40,400	0%
	\$40,401 - 445,850	15%
	\$445,851 and above	20%
Married (joint)	\$0 - 80,800	0%
	\$80,801 - 501,600	15%
	\$501,601 and above	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 / Separately	\$250,000+ / \$125,000+	3.8%
Trusts & Estates	\$12,750	3.8%

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%

\*The additional Medicare tax applied to wages and self-employment income above the following thresholds:

Filing Status:	Wages or Self-Employment Income above the MAGI Threshold:
Married-Jointly	Greater than \$250,000
Married-Separately	Greater than \$125,000
Others	Greater than \$200,000

Social Security		
	2020	2021
<b>TAXABLE WAGE BASE</b>		
Social Security (OASDI)	\$137,700	\$142,800
Medicare (HI only)	No limit	No limit

RETIREMENT EARNINGS TEST		
	2020	2021
Under full retirement age	\$18,240/yr (\$1,520/mo)	\$18,960/yr (\$1,580/mo)

Note: One dollar in benefits will be withheld for every \$2 in earnings above the limit.

	2020	2021
Year reaching full retirement age	\$48,600/yr (\$4,050/mo)	\$50,520/yr (\$4,210/mo)

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.

TAXABILITY OF BENEFITS (Based on Provisional Income and Filing Status)		
	Individual	Married Filing Jointly
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 Filing Separately		
Up to 85% of benefits are taxable		
Provisional income = Adjusted Gross Income + Non-taxable Income + 1/2 Social Security Benefit		

AGE TO RECEIVE FULL BENEFITS		
Year of Birth	Full Retirement	% 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%

AGE TO RECEIVE FULL BENEFITS		
Year of Birth	Yearly Rate of Increase	
1943 or later	8.0%	

Accrues when you reach full retirement age until you start receiving benefits or reach age 70.

Alternative Minimum Tax		
Taxpayers are subject to an "alternative minimum tax" (AMT) instead of the regular income tax when they have substantial "preference income." This is income that is treated favorably under the regular income tax. Basically, the taxpayer must pay whichever tax is higher—the regular tax or the AMT.		
Filing Status	2020 Exemption	2021 Exemption
Single or head of household	\$72,900	\$73,600
Married filing jointly	\$113,400	\$114,600
Married filing separately	\$56,700	\$57,300

The exemption amounts are phased out for higher income taxpayers.

AMT Income in Excess of Exemption 2020 / 2021	AMT Rate
First \$197,900 / \$199,900*	26%
Above \$197,900 / \$199,900	28%

\*\$98,950 / \$99,950 for married persons filing separately.

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	
<b>PHASE-OUTS FOR AMERICAN OPPORTUNITY CREDIT/HOPE SCHOLARSHIP CREDIT</b>	
Married Filing Jointly	\$160,000 - \$180,000
Others	\$80,000 - \$90,000
<b>PHASE-OUTS FOR LIFETIME LEARNING CREDITS</b>	
Married Filing Jointly	\$119,000 - \$139,000
Others	\$59,000 - \$69,000
<b>PHASE-OUTS FOR EXCLUSION OF U.S. SAVINGS BOND INCOME</b>	
Married filing jointly	\$124,800 - \$154,800
Others	\$83,200 - \$98,200
<b>PHASE-OUTS FOR COVERDELL EDUCATION SAVINGS ACCOUNTS</b>	
Maximum Contribution of \$2,000	
Married filing jointly	\$190,000 - \$220,000
Others	\$95,000 - \$110,000
<b>529 PLAN CONTRIBUTIONS</b>	
\$15,000 per year per child before gift tax	
Accelerate 5 years of gifting into 1 year per individual	\$75,000
Per couple	\$150,000

Charitable Contribution Deductions			
Type of Property Contributed	Deemed Amount of Contribution	Percentage Limitation <sup>1</sup>	
		2020	2021
Cash	Actual dollar amount	100%	100%
Appreciated ordinary income property <sup>2</sup> or appreciated short-term capital gain property <sup>3</sup>	Donor's tax basis	50%	50%
Appreciated long-term capital gain property <sup>4</sup>			
(a) General rule	Fair market value	30%	30%
(b) Election made to reduce amount of contribution	Donor's tax basis	50%	50%
(c) Tangible personal property put to unrelated use by donee charity	Donor's tax basis	50%	50%

<sup>1</sup> The applicable "percentage limitation" applies to the donor's contribution base, which is the donor's adjusted gross income (AGI) determined without regard to any net operating loss carryback. The limitation is applied on an annual basis. Any deductible contributions that exceed the current year's limitations may be carried over and deducted in the five succeeding tax years, subject to the percentage limitations in those years.

<sup>2</sup> "Ordinary income property" is property that would produce ordinary income if sold by the individual.

<sup>3</sup> "Short-term capital gain property" is property that would produce short-term capital gain if sold by the individual.

<sup>4</sup> "Long-term capital gain property" is property that would produce long-term capital gain if sold by the individual.

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Gift & Estate Tax		
	2020	2021
Annual gift tax exclusion	\$15,000	\$15,000
Unified credit exemption	\$11,580,000	\$11,700,000
Gift to non-citizen spouse	\$157,000	\$159,000
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, MD, NE, NJ, PA	
Community Property States	AK,* AZ, CA, ID, LA, NM, NV, TX, WA, WI	
*Opt-in community property state		

Gift & Estate Unified Tax Rates			
Gift Amount	Flat Amount	+ %	Of Excess Over
Less than \$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

Health Savings Accounts		
	2020	2021
<b>CONTRIBUTION LIMITS</b>		
Single / Family	\$3,550 / \$7,100	\$3,600 / \$7,200
Age 55+ Catch-up	\$1,000	\$1,000
<b>HIGH DEDUCTIBLE HEALTH PLANS</b>		
Minimum Deductible Single / Family	\$1,400 / \$2,800	\$1,400 / \$2,800
Maximum Out of Pocket Single / Family	\$6,900 / \$13,800	\$7,000 / \$14,000

Traditional IRA & Roth IRA		
	2020	2021
<b>IRA &amp; ROTH IRA CONTRIBUTION LIMIT</b>		
Contribution Limit	\$6,000	\$6,000
50 + Catch-up	\$1,000	\$1,000
<b>TRADITIONAL IRA DEDUCTIBILITY PHASE-OUT BASED ON MAGI</b>		
Active participants in employer plans		
Married - Jointly	\$104,000 - \$124,000	\$105,000 - \$125,000
Married - Separately	\$0 - \$10,000	\$0 - \$10,000
All Others	\$65,000 - \$75,000	\$66,000 - \$76,000
Nonparticipant married to a participant	\$196,000 - \$206,000	\$198,000 - \$208,000
Neither spouse a participant	Fully deductible	Fully deductible
<b>ROTH IRA PHASE-OUT BASED ON MAGI</b>		
Married -Jointly	\$196,000 - \$206,000	\$198,000 - \$208,000
Married -Separately	\$0 - \$10,000	\$0 - \$10,000
All Others	\$124,000 - \$139,000	\$125,000 - \$140,000

Qualified Plans		
	2020	2021
401(k), 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	\$57,000	\$58,000
Maximum annual benefit in a defined benefit plan	\$230,000	\$230,000
Maximum compensation considered	\$285,000	\$290,000
Highly compensated employee	\$130,000	\$130,000
Maximum QLAC	\$135,000	\$135,000
Special catch-up rules apply to certain 403(b) contributors who have 15 or more years of service and to governmental 457(b) participants who are in their last 3 years before retirement.		

Uniform Life Table											
<b>REQUIRED MINIMUM DISTRIBUTIONS</b>											
The Uniform Life Table is used to calculate lifetime required minimum distributions (RMDs) from qualified retirement plans, including 401(k) and 403(b) plans, and IRAs.											
Age	Divisor	Account	Age	Divisor	Account	Age	Divisor	Account	Age	Divisor	Account
70	27.4	3.65%	78	20.3	4.93%	86	14.1	7.09%	94	9.1	10.99%
71	26.5	3.77%	79	19.5	5.13%	87	13.4	7.46%	95	8.6	11.63%
72	25.6	3.91%	80	18.7	5.35%	88	12.7	7.87%	96	8.1	12.35%
73	24.7	4.05%	81	17.9	5.59%	89	12.0	8.33%	97	7.6	13.16%
74	23.8	4.20%	82	17.1	5.85%	90	11.4	8.77%	98	7.1	14.08%
75	22.9	4.37%	83	16.3	6.13%	91	10.8	9.26%	99	6.7	14.93%
76	22.0	4.55%	84	15.5	6.45%	92	10.2	9.80%	100	6.3	15.87%
77	21.2	4.72%	85	14.8	6.76%	93	9.6	10.42%	101	5.9	16.95%

Single Life "Inherited" Table									
<b>REQUIRED MINIMUM DISTRIBUTIONS</b>									
The Single Life "Inherited" Table is used to calculate the RMD for individuals who inherit accounts.									
Age	Factor	Age	Factor	Age	Factor	Age	Factor	Age	Factor
35	48.5	45	38.8	55	29.6	65	21.0	75	13.4
36	47.5	46	37.9	56	28.7	66	20.2	76	12.7
37	46.5	47	37.0	57	27.9	67	19.4	77	12.1
38	45.6	48	36.0	58	27.0	68	18.6	78	11.4
39	44.6	49	35.1	59	26.1	69	17.8	79	10.8
40	43.6	50	34.2	60	25.2	70	17.0	80	10.2
41	42.7	51	33.3	61	24.4	71	16.3	81	9.7
42	41.7	52	32.3	62	23.5	72	15.5	82	9.1
43	40.7	53	31.4	63	22.7	73	14.8	83	8.6
44	39.8	54	30.5	64	21.8	74	14.1	84	8.1

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