

## 2021 Tax Facts

## ORDINARY TAX RATES AND BRACKETS

	Taxable Income	Pay	% on excess	Of the amount over:
<b>Single</b>	\$0 - \$9,950	\$0	10%	\$0
	9,951 - 40,525	995	12	9,950
	40,526 - 86,375	4,664	22	40,525
	86,376 - 164,925	14,751	24	86,375
	164,926 - 209,425	33,603	32	164,925
	209,426 - 523,600	47,843	35	209,425
	523,601+	157,804.25	37	523,600
<b>Married Filing Jointly</b>	\$0 - \$19,900	\$0	10%	\$0
	19,901 - 81,050	1,990	12	19,900
	81,051 - 172,750	9,328	22	81,050
	172,751 - 329,850	29,502	24	172,750
	329,851 - 418,850	67,206	32	329,850
	418,851 - 628,300	95,686	35	418,850
	628,301+	168,993.50	37	628,300
<b>Married Filing Separately</b>	\$0 - \$9,950	\$0	10%	\$0
	9,951 - 40,525	995	12	9,950
	40,526 - 86,375	4,664	22	40,525
	86,376 - 164,925	14,751	24	86,375
	164,926 - 209,425	33,603	32	164,925
	209,426 - 314,150	47,843	35	209,425
	314,151+	84,496.75	37	314,150
<b>Head of Household</b>	\$0 - \$14,200	\$0	10%	\$0
	14,201 - 54,200	1,420	12	14,200
	54,201 - 86,350	6,220	22	54,200
	86,351 - 164,900	13,293	24	86,350
	164,901 - 209,400	32,145	32	164,900
	209,401 - 523,600	46,385	35	209,400
	523,601+	156,355.35	37	523,600
<b>Estates and Non-Grantor Trusts</b>	\$0 - \$2,650	\$0	10%	\$0
	2,651 - 9,550	265	24	2,650
	9,551 - 13,050	1,921	35	9,550
	13,051+	3,146	37	13,050

- The tax rate on long-term capital gains and qualified dividends is also based on a bracketed system using taxable income:

Long-Term Capital Gain Tax Rate	Single	Married Filing Joint	Married Filing Separately	Head of Household	Estates & Non-Grantor Trusts
<b>0%</b>	\$0 - 40,400	\$0 - 80,800	\$0 - 40,400	\$0 - 54,100	\$0 - 2,700
<b>15%</b>	\$40,401 - 445,850	\$80,801 - 501,600	\$40,401 - 250,800	\$54,101 - 473,750	\$2,701 - 13,250
<b>20%</b>	\$445,851+	\$501,601+	\$250,801+	\$473,751+	\$13,251+

- In addition, married taxpayers with Modified AGI over \$250,000 (\$200,000 if Single; \$125,000 if Married Filing Separately) and estates/non-grantor trusts in the top tax bracket are subject to an additional 3.8% tax on Net Investment Income.

**STANDARD DEDUCTION / PERSONAL EXEMPTIONS**

		2021	2020	2019
<b>Single</b>		\$12,550	\$12,400	\$12,200
<b>Married, filing jointly</b>		\$25,100	\$24,800	\$24,400
<b>Married, filing separately</b>		\$12,550	\$12,400	\$12,200
<b>Head of Household</b>		\$18,800	\$18,650	\$18,350
<b>Additional deduction for aged or blind – married</b>		\$1,350	\$1,300	\$1,300
<b>Additional deduction for aged or blind – single</b>		\$1,700	\$1,650	\$1,650
<b>Personal Exemption</b>		\$0	\$0	\$0
<b>AGI where itemized deduction/personal exemption phase-outs begin</b>	<b>Single</b>	N/A	N/A	N/A
	<b>Married Filing Joint</b>	N/A	N/A	N/A
	<b>Married Filing Separate</b>	N/A	N/A	N/A
	<b>Head of Household</b>	N/A	N/A	N/A

- Personal exemptions and the phaseout of itemized deductions are both repealed as of 2018, but are scheduled to be reinstated after 2025.

**KIDDIE TAX**

	2021	2020	2019
<b>Standard Deduction for dependent with no earned income</b>	\$1,100	\$1,100	\$1,100
<b>Maximum net unearned income taxed at child's rate (using the tax rates &amp; brackets for a single filer)</b>	\$1,100	\$1,100	\$1,100
<b>Floor beyond which additional unearned income is taxed at the parent's tax rate</b>	\$2,200	\$2,200	N/A
<b>Floor beyond which additional unearned income is taxed at the trust tax rates</b>	N/A	N/A	\$2,200

- The standard deduction for a dependent is the greater of (i) \$1,100 or (ii) the sum of \$350 and the individual's earned income.

**ALTERNATIVE MINIMUM TAX**

	2021 Taxable Income	Pay	Plus % on excess	Of the amount over:
<b>Single, Head of Household, Married Filing Joint, Trusts</b>	\$0 - \$199,900		26%	\$0
	\$199,901 and above	\$51,974	28%	\$199,901
<b>Married Filing Separate</b>	\$0 - \$99,950		26%	\$0
	\$99,951 and above	\$27,986	28%	\$99,951

- For AMT purposes, long-term capital gains and qualified dividends are taxed at either 15% or 20%, using the same income thresholds as for regular tax.

AMT Personal Exemption	2021	2020	2019
<b>Single</b>	\$73,600	\$72,900	\$71,700
<b>Married Filing Joint</b>	\$114,600	\$113,400	\$111,700
<b>Married Filing Separate</b>	\$57,300	\$56,700	\$55,850
<b>Head of Household</b>	\$73,600	\$72,900	\$71,700

- For 2021, the AMT Exemption begins to phase for married couples with Alternative Minimum Taxable Income above \$1,047,200 and above \$523,600 for all other taxpayers. The amount of exemption lost equals 25% of AMTI over the applicable threshold.

**RETIREMENT PLAN CONTRIBUTION LIMITS**

Traditional & Roth IRAs	2021	2020	2019
IRA and Roth IRA regular contributions	\$6,000	\$6,000	\$6,000
IRA and Roth IRA catch-up contributions	\$1,000	\$1,000	\$1,000
MAGI phaseout range for IRA deduction - single	\$66,000- \$76,000	\$65,000- \$75,000	\$64,000- \$74,000
MAGI phaseout range for IRA deduction - married	\$105,000- \$125,000	\$104,000- \$124,000	\$103,000- \$123,000
Roth IRA contribution AGI range – single	\$125,000- \$140,000	\$124,000- \$139,000	\$122,000- \$137,000
Roth IRA contribution AGI range – married	\$198,000- \$208,000	\$196,000- \$206,000	\$193,000- \$203,000

- Catch-up contributions to IRAs and Roth IRAs are available to taxpayers age 50 and older by 12/31/21.
- MAGI is defined as Adjusted Gross Income plus any deductions taken for: IRA contributions, student loan interest, excluded foreign income, half of SE tax, interest from savings bonds used for education, losses from publicly traded partnerships, passive income/loss, qualified tuition expense, rental losses and adoption expenses.
- For those not covered by an employer retirement plan but whose spouse is covered, the IRA deduction is phased out for MAGI between \$198,000 and \$208,000 for 2021 (\$196,000 and \$206,000 for 2020).

Employer Plans	2021	2020	2019
401(k), 403(b) regular contributions	\$19,500	\$19,500	\$19,000
401(k), 403(b) catch-up contributions	\$6,500	\$6,500	\$6,000
Profit Sharing or MPP	\$58,000	\$57,000	\$56,000
Individual 401(k) (Salary Deferral + Profit Sharing)	\$58,000	\$57,000	\$56,000
Individual 401(k) (Salary Deferral + Profit Sharing) Including Age 50+ Catch-up	\$64,500	\$63,500	\$62,000
SIMPLE IRA regular contributions	\$13,500	\$13,500	\$13,000
SIMPLE IRA catch-up contributions	\$3,000	\$3,000	\$3,000
SEP plan contributions	\$58,000	\$57,000	\$56,000
Total Defined Contribution plan contributions	\$58,000	\$57,000	\$56,000
Maximum compensation for plan benefit	\$290,000	\$285,000	\$280,000

**SOCIAL SECURITY TAXES AND BENEFITS**

	2021	2020	2019
Maximum wages subject to FICA tax	\$142,800	\$137,700	\$132,900
Maximum earned income before reduction in SS benefits (up to full retirement age)	\$18,960	\$18,240	\$17,640
Maximum SS benefit, retiring at full retirement age	\$3,148/mo	\$3,011/mo	\$2,861/mo

- Earned income above threshold, for taxpayers younger than full retirement age, results in reduced Social Security benefits. Benefit amount is reduced by \$1 for every \$2 over the \$18,960 threshold.

Taxability of Benefits	Single, Head of Household, Married Filing Separate	Married Filing Joint	Taxable Portion of Benefits
Income Level	\$0 - \$25,000	\$0 - \$32,000	0%
	\$25,000 - \$34,000	\$32,000 - \$44,000	Up to 50%
	Over \$34,000	Over \$44,000	Up to 85%

- Income for purposes of this test includes:
  1. All income included on lines 1, 2b, 3b, 4b, 4d, 6 and 7a of the 2019 Form 1040
  2. Any tax-exempt interest included on line 2a of Form 1040
  3. Half the gross Social Security benefit itself (Line 5a)

**MEDICARE INCOME-RELATED MONTHLY ADJUSTMENT AMOUNT (IRMAA)**

- Taxpayers with a modified adjusted gross income (MAGI) above a certain amount may be required to pay an Income Related Monthly Adjustment Amount (IRMAA) in addition to their Part B or Part D premium. Medicare will use the MAGI reported on the taxpayer’s 2019 tax return in determining the 2021 IRMAA. Taxpayers that disagree with the assessed IRMAA may file an appeal with the Social Security office.

2019 Modified Adjusted Gross Income (AGI + Tax Exempt Income)			Premium Adjustment	
Single	Married Filing Joint	Married Filing Separately	Part B	Part D
≤ \$88,000	≤ \$176,000	≤ \$88,000	\$0	\$0
\$88,001 \$111,000	\$176,001 \$222,000	n/a	\$59.40	\$12.30
\$111,001 \$138,000	\$222,001 \$276,000	n/a	\$148.50	\$31.80
\$138,001 \$165,000	\$276,001 \$330,000	n/a	\$237.60	\$51.20
\$165,001 \$499,999	\$330,000 \$749,999	\$88,001 \$411,999	\$326.70	\$70.70
≥ \$500,000	≥ \$750,000	≥ \$412,000	\$356.40	\$77.10

**HEALTH SAVINGS ACCOUNTS**

	2021	2020	2019
<b>Contribution Limit – Single Coverage</b>	\$3,600	\$3,550	\$3,500
<b>Contribution Limit – Family Coverage</b>	\$7,200	\$7,100	\$7,000
<b>Catch-up Contribution</b>	\$1,000	\$1,000	\$1,000
<b>Minimum Deductible – Single</b>	\$1,400	\$1,400	\$1,350
<b>Minimum Deductible – Family</b>	\$2,800	\$2,800	\$2,700

- Catch-up contributions to HSAs are available to account holders age 55 and older by 12/31/21.
- The Minimum Deductible shown above is the minimum amount allowed for the plan to be considered a High Deductible Plan
- Out of pocket expenses under the plan can’t exceed \$7,000 for singles, \$14,000 for a family.

**ESTATE PLANNING**

<b>Decedents Dying In:</b>	<b>Lifetime Exemption Amount</b>	<b>Tax Rate</b>
<b>2009</b>	\$3,500,000	45%
<b>2010</b>	\$5 million, but estates may elect no estate tax, with capital gain tax on appreciation above \$1.3 million	35%
<b>2011</b>	\$5,000,000	35%
<b>2012</b>	\$5,120,000	35%
<b>2013</b>	\$5,250,000	40%
<b>2014</b>	\$5,340,000	40%
<b>2015</b>	\$5,430,000	40%
<b>2016</b>	\$5,450,000	40%
<b>2017</b>	\$5,490,000	40%
<b>2018</b>	\$11,180,000	40%
<b>2019</b>	\$11,400,000	40%
<b>2020</b>	\$11,580,000	40%
<b>2021</b>	\$11,700,000	40%

- Individuals may use the full \$11,700,000 million exemption to make lifetime gifts without incurring gift tax (married couples up to \$23,400,000). The 40% gift tax rate will apply to gifts above the exemption amount.

	<b>2021</b>	<b>2020</b>	<b>2019</b>
<b>Annual Gift Tax exclusion</b>	\$15,000	\$15,000	\$15,000

- The annual exclusion is indexed for inflation, but increases are only made in \$1,000 increments, and adjustments typically occur every few years.