

2020 Tax Facts

ORDINARY TAX RATES AND BRACKETS

	Taxable Income	Pay	% on excess	Of the amount over:
Single	\$0 - \$9,875	\$0	10%	\$0
	9,875 - 40,125	987.50	12	9,875
	40,125 - 85,525	4,617.50	22	40,125
	85,525 - 163,300	14,605.50	24	85,525
	163,300 - 207,350	33,271.50	32	163,300
	207,350 - 518,400	47,367.50	35	207,350
	518,400+	156,235	37	518,400
Married Filing Jointly	\$0 - \$19,750	\$0	10%	\$0
	19,750 - 80,250	1,975	12	19,750
	80,250 - 171,050	9,235	22	80,250
	171,050 - 326,600	29,211	24	171,050
	326,600 - 414,700	66,543	32	326,600
	414,700 - 622,050	94,735	35	414,700
	622,050+	167,307.50	37	622,050
Married Filing Separately	\$0 - \$9,875	\$0	10%	\$0
	9,875 - 40,125	987.50	12	9,875
	40,125 - 85,525	4,617.50	22	40,125
	85,525 - 163,300	14,605.50	24	85,525
	163,300 - 207,350	33,271.50	32	163,300
	207,350 - 311,026	47,367.50	35	207,350
	311,026+	83,653.75	37	311,026
Head of Household	\$0 - \$14,100	\$0	10%	\$0
	14,100 - 53,700	1,410	12	14,100
	53,700 - 85,500	6,162	22	53,700
	85,500 - 163,300	13,158	24	85,500
	163,300 - 207,350	31,830	32	163,300
	207,350 - 518,400	45,926	35	207,350
	518,400+	154,793.50	37	518,400
Estates and Non-Grantor Trusts	\$0 - \$2,600	\$0	10%	\$0
	2,600 - 9,450	260	24	2,600
	9,450 - 12,950	1,904	35	9,450
	12,950+	3,129	37	12,950

- The tax rate on long-term capital gains and qualified dividends for individuals, estates and grantor trusts is also based on a bracketed system:

Long-Term Capital Gain Tax Rate	Single	Married Filing Joint	Married Filing Separately	Head of Household	Estates & Non-Grantor Trusts
0%	\$0 - 40,000	\$0 - 80,000	\$0 - 40,000	\$0 - 53,600	\$0 - 2,650
15%	\$40,000 - 441,450	\$80,000 - 496,600	\$40,000 - 248,300	\$53,600 - 469,050	\$2,650 - 13,150
20%	\$441,050+	\$496,600+	\$248,300+	\$469,050+	\$13,150+

- 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

		2020	2019	2018
Single		\$12,400	\$12,200	\$12,000
Married, filing jointly		\$24,800	\$24,400	\$24,000
Married, filing separately		\$12,400	\$12,200	\$12,000
Head of Household		\$18,650	\$18,350	\$18,000
Additional deduction for aged or blind – married		\$1,300	\$1,300	\$1,300
Additional deduction for aged or blind – single		\$1,650	\$1,650	\$1,600
Personal Exemption		\$0	\$0	\$0
AGI where itemized deduction/personal exemption phase-outs begin	Single	N/A	N/A	N/A
	Married Filing Joint	N/A	N/A	N/A
	Married Filing Separate	N/A	N/A	N/A
	Head of Household	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

	2020	2019	2018
Standard Deduction for dependent with no earned income	\$1,100	\$1,100	\$1,050
Maximum net unearned income taxed at child's rate (using the tax rates & brackets for a single filer)	\$1,100	\$1,100	\$1,050
Floor beyond which additional unearned income is taxed at the parent's tax rate	N/A	N/A	N/A
Floor beyond which additional unearned income is taxed at the trust tax rates	\$2,200	\$2,200	\$2,100

- 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

	2020 Taxable Income	Pay	Plus % on excess	Of the amount over:
Single, Head of Household, Married Filing Joint, Trusts	\$0 - \$197,900		26%	\$0
	\$197,900 and above	\$51,454	28%	\$197,900
Married Filing Separate	\$0 - \$98,950		26%	\$0
	\$98,950 and above	\$25,727	28%	\$98,950

- 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	2020	2019	2018
Single	\$72,900	\$71,700	\$70,300
Married Filing Joint	\$113,400	\$111,700	\$109,400
Married Filing Separate	\$56,700	\$55,850	\$54,700
Head of Household	\$72,900	\$71,700	\$70,300

- For 2020, the AMT Exemption begins to phase for married couples with Alternative Minimum Taxable Income above \$1,036,800 and above \$518,400 for all other taxpayers. The amount of exemption lost equals 25% of AMTI over the applicable threshold.

RETIREMENT PLAN CONTRIBUTION LIMITS

Traditional & Roth IRAs	2020	2019	2018
IRA and Roth IRA regular contributions	\$6,000	\$6,000	\$5,500
IRA and Roth IRA catch-up contributions	\$1,000	\$1,000	\$1,000
AGI phaseout range for IRA deduction - single	\$65,000- \$75,000	\$64,000- \$74,000	\$63,000- \$73,000
AGI phaseout range for IRA deduction - married	\$104,000- \$124,000	\$103,000- \$123,000	\$101,000- \$121,000
Roth IRA contribution AGI range – single	\$124,000- \$139,000	\$122,000- \$137,000	\$120,000 - \$135,000
Roth IRA contribution AGI range – married	\$196,000- \$206,000	\$193,000- \$203,000	\$189,000 - 199,000

- Catch-up contributions to IRAs and Roth IRAs are available to taxpayers age 50 and older by 12/31/20.
- For those not covered by an employer retirement plan but whose spouse is covered, the IRA deduction is phased out for MAGI between \$196,000 and \$206,000 for 2020 (\$193,000 and \$203,000 for 2019).

Employer Plans	2020	2019	2018
401(k), 403(b) regular contributions	\$19,500	\$19,000	\$18,500
401(k), 403(b) catch-up contributions	\$6,500	\$6,000	\$6,000
Profit Sharing or MPP	\$57,000	\$56,000	\$55,000
Individual 401(k) (Salary Deferral + Profit Sharing)	\$57,000	\$56,000	\$55,000
Individual 401(k) (Salary Deferral + Profit Sharing) Including Age 50+ Catch-up	\$63,500	\$62,000	\$61,000
SIMPLE IRA regular contributions	\$13,500	\$13,000	\$12,500
SIMPLE IRA catch-up contributions	\$3,000	\$3,000	\$3,000
SEP plan contributions	\$57,000	\$56,000	\$55,000
Total Defined Contribution plan contributions	\$57,000	\$56,000	\$55,000
Maximum compensation for plan benefit	\$285,000	\$280,000	\$275,000

SOCIAL SECURITY TAXES AND BENEFITS

	2020	2019	2018
Maximum wages subject to FICA tax	\$137,700	\$132,900	\$128,400
Maximum earned income before reduction in SS benefits (up to full retirement age)	\$18,240	\$17,640	\$17,040
Maximum SS benefit, retiring at full retirement age	\$3,011/mo	\$2,861/mo	\$2,788/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 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 and Schedule 1 of the 2018 Form 1040
 2. Any tax-exempt interest included on line 2a of Form 1040
 3. Half the gross Social Security benefit itself

HEALTH SAVINGS ACCOUNTS

	2020	2019	2018
Contribution Limit – Single Coverage	\$3,550	\$3,500	\$3,450
Contribution Limit – Family Coverage	\$7,100	\$7,000	\$6,900
Catch-up Contribution	\$1,000	\$1,000	\$1,000
Minimum Deductible – Single	\$1,400	\$1,350	\$1,350
Minimum Deductible – Family	\$2,800	\$2,700	\$2,700

- Catch-up contributions to HSAs are available to account holders age 55 and older by 12/31/20.
- 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 \$6,900 for singles, \$13,800 for a family.

ESTATE PLANNING

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

- Individuals may use the full \$11,580,000 million exemption to make lifetime gifts without incurring gift tax (married couples up to \$23,160,000). The 40% gift tax rate will apply to gifts above the exemption amount.

	2020	2019	2018
Annual Gift Tax exclusion	\$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.