

2021 Tax Guide

| Retirement Plan Contribution Limits | | | |
|---|------------------------|--------------------|---|
| Annual compensation used to determine contribution for most plans | | | \$290,000 |
| Defined contribution plans | | | \$58,000 |
| Defined benefit plans | | | \$230,000 |
| 401(k), 403(b), 457(b) plans | | | \$19,500 |
| Catch-up provision for individuals 50+ | | | \$6,500 |
| SIMPLE plans | | | \$13,500 |
| SIMPLE plans - catch-up provision for individuals 50+ | | | \$3,000 |
| Roth 401(k) | | | \$19,500 |
| Roth 401(k) - catch-up provision for individuals 50+ | | | \$6,500 |
| Maximum ESOP balance subject to 5 year distribution period | | | \$1,165,000 |
| Individual Retirement Accounts | | | |
| IRA type | Contribution limit | Catch-up at 50+ | Phaseouts (AGI) |
| Non-deductible | \$6,000 | \$1,000 | None |
| Deductible | \$6,000 | \$1,000 | Covered by qualified plan: |
| | | | \$105,000 to \$125,000 joint |
| | | | \$66,000 to \$76,000 single, HOH |
| | | | \$0 to \$10,000 MFS |
| Roth | \$6,000 | \$1,000 | If one spouse covered by a plan: |
| | | | \$198,000 to \$208,000 joint |
| | | | \$125,000 to \$140,000 single, HOH |
| | | | \$0 to \$10,000 MFS |
| Roth conversion | | | No Income Limit |
| Medicare Premiums & Deductibles | | | |
| Part B premium | | | \$148.50 |
| Part B deductible | | | \$203 |
| Part A (inpatient services) deductible < 61 days of hospitalization | \$1,484 | per benefit period | |
| Part A deductible 61 - 90 days of hospitalization | \$352 | per day | |
| Part A deductible > 90 days of hospitalization | \$742 | per day | |
| Part B / Part D Premiums for High-Income Taxpayers | | | |
| MAGI single | MAGI joint | Part B premium | Part D premium |
| < \$88,000 | < \$176,000 | \$148.50* | \$0.00 |
| \$88,001 to \$111,000 | \$176,001 to \$222,000 | \$207.90 | \$12.30 |
| \$111,001 to \$138,000 | \$222,001 to \$276,000 | \$297.00 | \$31.80 |
| \$138,001 to \$165,000 | \$276,001 to \$330,000 | \$386.10 | \$51.20 |
| \$165,001 to \$499,999 | \$330,001 to \$749,999 | \$475.20 | \$70.70 |
| > \$500,000 | > \$750,000 | \$504.90 | \$77.10 |

*Most individuals will pay less; however, individuals who are not protected by the Social Security "hold harmless" provision will pay \$148.50.

| Social Security | | Full Retirement Age | | | |
|--|------------------------------|----------------------|--|-------------|--------------------|
| Benefits | Year of Birth | FRA | % at age 62 | % at age 70 | |
| Start taking benefits at | 1943-1954 | 66 | 75.0% | 132.00% | |
| At age 62 | | 1955 | 66 + 2 mo | 74.2% | 130.67% |
| FRA | | 1956 | 66 + 4 mo | 73.3% | 129.33% |
| At age 70 | | 1957 | 66 + 6 mo | 72.5% | 128.00% |
| Retirement earnings exempt amounts | \$18,960 | Under FRA | 1958 | 66 + 8 mo | 71.7% |
| | \$50,520 | During yr. reach FRA | 1959 | 66 + 10 mo | 70.8% |
| | | NA After FRA | 1960 or later | 67 | 70.0% |
| Social Security Taxes | | | | | |
| Tax (FICA) | % withheld | | Maximum tax payable | | |
| SS tax paid on income < \$142,800 | | | | | |
| Employer pays | 6.20% | | \$8,853.60 | | |
| Employee pays | 6.20% | | \$8,853.60 | | |
| Self-employed pays | 12.40% | | \$17,707.20 | | |
| Medicare tax paid on all income* | | | | | |
| Employer pays | 1.45% | | No maximum | | |
| Employee pays | 1.45% | | No maximum | | |
| Self-employed pays | 2.90% | | No maximum | | |
| *Additional 0.9% for wages exceeding \$200,000 (single) and \$250,000 (joint). | | | | | |
| Filing status | AGI + provisional income* | | Taxable portion | | |
| Married filing jointly | < \$32,000 | | 0% | | |
| | \$32,000 to \$44,000 | | up to 50% | | |
| | > \$44,000 | | up to 85% | | |
| Single, HOH, MFS and living apart from spouse | < \$25,000 | | 0% | | |
| | \$25,000 to \$34,000 | | up to 50% | | |
| | > \$34,000 | | up to 85% | | |
| Married filing separately & living w/ spouse | > \$0 | | up to 85% | | |
| *Provisional income = tax-exempt interest + 50% of SS benefit | | | | | |
| You Can Work and Receive Social Security Benefits | | | | | |
| If you are | You can make up to | | If you make more, some benefits will be withheld | | |
| Under FRA* in 2020 | \$18,240/yr. (\$1,520/mo.) | | \$1 for every \$2 | | |
| Turning FRA in 2020 | \$48,600/yr. (\$4,050/mo.) | | \$1 for every \$3 | | |
| Month you attain FRA | No Limit | | No Limit | | |
| Deductibility of Long-Term Care Premiums on Qualified Policies | | | | | |
| Attained age before close of tax yr. / Amount of LTC premiums that qualify as medical expenses | | | | | |
| 40 or less | \$450 | 51 to 60 | \$1,690 | > 70 | \$5640 |
| 41 to 50 | \$850 | 61 to 70 | \$4,520 | | |
| Health Savings Accounts | | | | | |
| Household | Max. deductible contribution | | Deductible/Co-pay limits | | Minimum deductible |
| Individuals | \$3,600 | | \$7,000 | | \$1,400 |
| Families | \$7,200 | | \$14,000 | | \$2,800 |
| Catch-up for 55+ | \$1,000 | | | | |

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| 2021 Tax Rate Schedule | | | | | | |
|---|--------------|--------------------|---|-------------------|--|--------------------|
| Taxable income | | Base amount of tax | | Marginal tax rate | | Of the amount over |
| Single | | | | | | |
| < | \$9,950 | \$0.00 | + | 10.0% | | \$0 |
| \$9,951 | to \$40,525 | \$995.00 | + | 12.0% | | \$9,950 |
| \$40,526 | to \$86,375 | \$4,664.00 | + | 22.0% | | \$40,525 |
| \$86,376 | to \$164,925 | \$14,751.00 | + | 24.0% | | \$86,375 |
| \$164,926 | to \$209,425 | \$33,603.00 | + | 32.0% | | \$164,925 |
| \$209,426 | to \$523,600 | \$47,843.00 | + | 35.0% | | \$209,425 |
| > | \$523,600 | \$157,804.25 | + | 37.0% | | \$523,600 |
| Married filing jointly & surviving spouses | | | | | | |
| < | \$19,900 | \$0.00 | + | 10.0% | | \$0 |
| \$19,901 | to \$81,050 | \$1,990.00 | + | 12.0% | | \$19,900 |
| \$81,051 | to \$172,750 | \$9,328.00 | + | 22.0% | | \$81,050 |
| \$172,751 | to \$329,850 | \$29,502.00 | + | 24.0% | | \$172,750 |
| \$329,851 | to \$418,850 | \$67,206.00 | + | 32.0% | | \$329,850 |
| \$418,851 | to \$628,300 | \$95,686.00 | + | 35.0% | | \$418,850 |
| > | \$628,300 | \$168,993.50 | + | 37.0% | | \$628,300 |
| Head of household | | | | | | |
| < | \$14,200 | \$0.00 | + | 10.0% | | \$0 |
| \$14,201 | to \$54,200 | \$1,420.00 | + | 12.0% | | \$14,200 |
| \$54,201 | to \$86,350 | \$6,220.00 | + | 22.0% | | \$54,200 |
| \$86,351 | to \$164,900 | \$13,293.00 | + | 24.0% | | \$86,350 |
| \$164,901 | to \$209,400 | \$32,145.00 | + | 32.0% | | \$164,900 |
| \$209,401 | to \$523,600 | \$46,385.00 | + | 35.0% | | \$209,400 |
| > | \$523,600 | \$156,355.00 | + | 37.0% | | \$523,600 |
| Married filing separately | | | | | | |
| < | \$9,950 | \$0.00 | + | 10.0% | | \$0 |
| \$9,951 | to \$40,525 | \$995.00 | + | 12.0% | | \$9,950 |
| \$40,526 | to \$86,375 | \$4,664.00 | + | 22.0% | | \$40,525 |
| \$86,376 | to \$164,925 | \$14,751.00 | + | 24.0% | | \$86,375 |
| \$164,926 | to \$209,425 | \$33,603.00 | + | 32.0% | | \$164,925 |
| \$209,426 | to \$314,150 | \$47,843.00 | + | 35.0% | | \$209,425 |
| > | \$314,150 | \$84,496.75 | | 37.0% | | \$314,150 |
| Estates and trusts | | | | | | |
| < | \$2,650 | \$0.00 | + | 10.0% | | \$0 |
| \$2,651 | to \$9,550 | \$265.00 | + | 24.0% | | \$2,650 |
| \$9,551 | to \$13,050 | \$1,921.00 | + | 35.0% | | \$9,550 |
| > | \$13,050 | \$3,146.00 | + | 37.0% | | \$13,050 |

| Standard Deductions & Personal Exemption | | | |
|---|---|---|--------------|
| Standard Deduction | | Personal exemption | |
| Filing Status | Deduction | Exemption | Phaseouts |
| Married filing joint | \$25,100 | NA | NA |
| Single | \$12,550 | NA | NA |
| Married filing separate | \$12,550 | NA | NA |
| Head of household | \$18,800 | NA | NA |
| Additional deductions for non-itemizers | | | |
| Blind or > 65 | \$1,350 | | |
| Blind or > 65 and single | \$1,700 | | |
| Gift & Estate Tax | | | |
| Maximum estate tax rate | | | 40% |
| Estate/Gift tax exclusion | | | \$11,700,000 |
| Gift tax annual exclusion | | | \$15,000 |
| AMT Exemptions & Phaseouts | | | |
| Filing status | Exemption | Income phaseout threshold | |
| Married filing jointly & qualifying widow(er) | \$114,600 | \$1,047,200 | |
| Single & HOH | \$73,600 | \$523,600 | |
| Married filing separately | \$57,300 | \$523,600 | |
| Capital Gains Tax Rates | | | |
| Assets held less than 1 yr. | | Marginal income rate | |
| | | 0% for joint below \$80,800 and single below \$40,400. | |
| Assets held longer than 1 yr. | | 15% for joint at or above \$80,801 and single at or above \$40,401. | |
| | | 20% for joint at or above \$501,601 and single at or above \$445,851. | |
| Unrecaptured Sec. 1250 gains | | | 25% |
| Collectibles | | | 28% |
| Education Credits / Deductions / Distributions | | | |
| Credit / Deduction / Account | Maximum credit / deduction / distribution | Income phaseouts begin at AGI: | |
| American Opportunity Tax Credit | \$2,500 | \$160,000 to \$180,000 | joint |
| | | \$80,000 to \$90,000 | all others |
| Lifetime Learning Credit | \$2,000 | \$119,000 to \$139,000 | joint |
| | | \$59,000 to \$69,000 | all others |
| Student loan interest deduction | \$2,500 | \$140,000 to \$170,000 | joint |
| | | \$70,000 to \$85,000 | all others |
| Savings bond interest deduction | limited to amount of qualified expenses | \$123,550 to \$153,550 | joint |
| | | \$82,350 to \$97,350 | all others |
| Coverdell | \$2,000 maximum contribution (non-deductible) | \$190,000 to \$220,000 | joint |
| | | \$95,000 to \$110,000 | all others |
| 529 Plan (K-12) | \$10,000 distribution | None | joint |
| | | None | all others |
| Kiddie Tax | | | |
| Dependent children < age 19 (< 24 for full-time students) pay federal income tax at trust and estate income tax rates on investment income > \$2,200. | | | |

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| Individual Tax Rates | | | | | | | | | |
|------------------------|-----------------|-----------------------------|----------------------------|---------------------|------------------------|-----------------|-----------------------------|----------------------------|---------------------|
| Single | | | | | Joint | | | | |
| Taxable Income | Ordinary Income | Capital Gains and Dividends | Affordable Health Care Act | | Taxable Income | Ordinary Income | Capital Gains and Dividends | Affordable Health Care Act | |
| | | | Earned Income | Investment Income** | | | | Earned Income | Investment Income** |
| \$0 to \$9,950 | 10% | 0% | 0% | 0% | \$0 to \$19,900 | 10% | 0% | 0% | 0% |
| \$9,951 to \$40,400 | 12% | | | | \$19,901 to \$80,800 | 12% | | | |
| \$40,401 to \$40,525 | 22% | | | | \$80,801 to \$81,050 | 22% | | | |
| \$40,526 to \$86,375 | 22% | 15% | 0% | 0% | \$81,051 to \$172,750 | 22% | 15% | 0% | 0% |
| \$86,376 to \$164,925 | 24% | | | | \$172,751 to \$250,000 | 24% | | | |
| \$164,926 to \$200,000 | 32% | | | | \$250,001 to \$329,850 | 32% | | | |
| \$200,001 to \$209,425 | 32% | 20% | 0.9% | 3.8%* | \$329,851 to \$418,850 | 32% | 0.9% | 3.8%* | 3.8%* |
| \$209,426 to \$445,850 | 35% | | | | \$418,851 to \$501,600 | 35% | | | |
| \$445,851 to \$523,600 | 35% | | | | \$501,601 to \$628,300 | 35% | | | |
| > \$523,600 | 37% | | | | > \$628,300 | 37% | | | |

*3.8% tax is only imposed on modified adjusted gross income (MAGI) in excess of the \$200,000 (\$250,000 joint) threshold

** Investment income for purposes of 3.8% tax = dividends, interest, capital gains, non-qualified annuity distributions, royalties, rents, and passive income (not qualified retirement distributions)

| Select Tax Items | | |
|--|------------------------|------------------------|
| Tax Limits | 2021 | |
| Gift tax annual exclusion | \$15,000 | |
| Estate tax exemption | \$11,700,000 + DSUEA* | |
| Top federal estate tax bracket | 40% | |
| IRA distributions direct to charity (over age 70.5) | \$100,000 | |
| IRA / Roth IRA contribution limit | \$6,000 | |
| IRA / Roth IRA catch-up provisions for individuals 50+ | \$1,000 | |
| Health Savings Account contribution limit [Individual, (Family)] | \$3,600, (\$7,200) | |
| Health Savings Account catch-up provisions for individuals 55+ | \$1,000 | |
| Phaseout Items | Single | Joint |
| Itemized deduction phaseout | N/A | N/A |
| Personal exemption phaseout | N/A | N/A |
| Deductible IRA contribution phaseout (qualified plan) | \$66,000 to \$76,000 | \$105,000 to \$125,000 |
| <i>If one spouse covered by a plan</i> | \$198,000 to \$208,000 | |
| Roth IRA contribution phaseout | \$125,000 to \$140,000 | \$198,000 to \$208,000 |
| AMT exemption | \$73,600 | \$114,600 |
| Part B / Part D Premiums begin to increase with MAGI over | \$88,000 | \$176,000 |

*Basic exclusion amount plus deceased spousal unused exclusion amount (DSUEA) -- exclusion is portable for 2011 onward

| Retirement Plan Contribution Limits | | |
|---|---|------------------------|
| Plan | Limit | |
| Defined contribution plans | \$58,000 | |
| 401(k) (Roth/Traditional), 403(b), 457(b) plans | \$19,500 | |
| Catch-up provision for individuals 50+ | \$6,500 | |
| SIMPLE plans | \$13,500 | |
| SIMPLE plans - catch-up provision for individuals 50+ | \$3,000 | |
| Estates and Trusts | | |
| Income | Rate | |
| < \$2,650 | 10% | |
| \$2,651 to \$9,550 | 24% | |
| \$9,551 to \$13,050 | 35% | |
| > \$13,051* | 37% | |
| Short (Sold) Options | | |
| Put/Call Action | Taxable Amount | How taxed (long/short) |
| Option expires worthless | Premium | Short |
| Option is closed | Net gain/loss of closing | Short |
| Call option assigned | Premium + strike price - security basis | Short or long** |

*Investment income > \$13,051 subject to additional 3.8% surtax

**Underlying security held > 1 year is long term gain/loss, security held < 1 year is short term gain/loss