

## Tax Reference Guide

## RETIREMENT PLANS

Elective deferrals 401(k), 403(b), 457 and SARSEPs	\$19,500
Catch-up contribution	\$6,500
Defined contribution (§415(c)(1)(A))	\$58,000
Defined benefit (§415(b)(1)(A))	\$230,000
SIMPLE plan	\$13,500
SIMPLE catch-up contribution	\$3,000
Maximum includible compensation	\$290,000
Highly compensated employee:	\$130,000
Look back to 2020	\$130,000
Look back to 2019	\$125,000
Key employee (top-heavy plan)	\$185,000
SEP contribution	
Up to 25% compensation, \$58,000 limit	
SEP participation limit	\$650
IRA or Roth IRA contribution limit	\$6,000
IRA or Roth IRA catch-up (age 50 and over)	\$1,000
IRA deduction phaseout for active participants:	
Single	\$66,000 - 76,000
Married filing jointly	\$105,000 - 125,000
Married filing separately	\$0 - 10,000
Non-active participant married to active participant	\$196,000 - 206,000
Roth IRA phaseout:	
Single	\$125,000 - 139,999
Married filing jointly	\$198,000 - 207,999

## SOCIAL SECURITY

SS wage base	\$142,800
FICA tax rate-employee <sup>3</sup>	7.65%
SECA tax rate-self-employed	15.3%
Earnings limitation:	
Below FRA (\$1 for \$2)	\$18,960/yr
Persons reaching FRA (\$1 for \$3)	\$50,520/yr
<i>(Applies only to earnings for months prior to attaining FRA)</i>	
Social Security cost-of-living adjustment	1.3%
Quarter of coverage	\$1,470
Maximum benefit: worker retiring at FRA *See SS FRA below	\$3,148/mo
Estimated average monthly benefit, after 1.3% COLA	\$1,543

## SOCIAL SECURITY FRA (FULL RETIREMENT AGE)

Year of Birth	Social Security FRA	Percent Reduced at Age 62 <sup>4</sup>
1943-1954	66	25%
1955	66 and 2 months	25.83%
1956	66 and 4 months	26.67%
1957	66 and 6 months	27.50%
1958	66 and 8 months	28.33%
1959	66 and 10 months	29.17%
1960 and later	67	30%

## ESTATE AND GIFT TAX

Annual gift tax exclusion	\$15,000
Estate and gift tax basic exclusion	\$11,700,000
Generation skipping exemption	\$11,700,000
Maximum estate tax rate <sup>5</sup>	40%

## MEDICARE

## Monthly premium:

Part A <sup>1</sup>	\$471
Part B <sup>2</sup>	\$148.50

## Part A:

First 60 days - patient pays a deductible	\$1,484
Next 30 days - patient pays per day	\$371
Next 60 days (lifetime reserve days) patient pays per day	\$742

## Skilled nursing benefits:

First 20 days-patient pays per day	\$0
Next 80 days-patient pays per day	\$185.50
Over 100 days-patient pays per day	All costs

## Part B:

Deductible	\$203
Coinsurance	20%

## Part D (Prescription Standard Benefit Model):

Deductible	\$445
25% coinsurance on next	\$4,130
Out-of-pocket (OOP) threshold	\$6,550

*Beneficiary then pays coinsurance amount for additional covered expenses*

## 2021 MEDICARE PART B PREMIUM RATES:

YOU PAY	If your 2019 income was:	
	Single	Married Couple
\$148.50	\$88,000 or less	\$176,000 or less
\$207.90	\$88,001 - 111,000	\$176,001 - 222,000
\$297.00	\$111,001 - 138,000	\$222,001 - 276,000
\$386.10	\$138,001 - 165,000	\$276,001 - 330,000
\$475.20	\$165,001 - 500,000	\$330,001 - 750,000

YOU PAY	Adjustment Amount	If you are married filing separately and your 2018 income was:
		\$148.50
\$475.20	\$326.70	\$88,001 - 412,000
\$504.90	\$356.40	Above \$412,000

FIGURE 1

## Footnotes

- The Part A premium of \$471 per month applies to persons who have fewer than 30 quarters of coverage under Social Security. For those having 30-39 quarters, the Part A premium is \$259 per month.
- Beneficiaries not subject to the "hold harmless" provision includes persons not receiving Social Security, those who enroll in Part B for the first time in 2021, dual eligible beneficiaries who have their premiums paid by Medicaid, and beneficiaries who pay an additional income-related premium. See **Premium rates (Figure 1)**
- The FICA tax rate is comprised of two separate payroll taxes: Employer portion—6.20% for Old-Age, Survivors, and Disability Insurance (OASDI), and 1.45% for Hospital Insurance (HI); Employee portion—6.20% for Old-Age, Survivors, and Disability Insurance (OASDI), and 1.45% for Hospital Insurance (HI). For self-employed, the SECA is 12.40% for OASDI and 2.90% for HI.
- You must be at least 62 for the entire month to receive benefits.
- A deceased spouse's unused credit amount is portable to a surviving spouse.

STANDARD MILEAGE RATES	
Business use	57.5¢ per mile
Charitable use (not indexed)	14¢ per mile
Medical or moving use	17¢ per mile

MISCELLANEOUS ITEMS	
PBGC maximum monthly benefit (at age 65)	\$6,034.09
LTC per diem limit	\$400
LTC premium as medical expense limitation:	
Age 40 or younger	\$450
Age 41-50	\$850
Age 51-60	\$1,690
Age 61-70	\$4,520
Age 71 or older	\$5,640
Qualified transportation fringes (monthly):	
Commuter highway vehicle/transit pass	\$270
Qualified parking	\$270
Qualified Longevity Annuity Contract	\$135,000
Health Care Flexible Spending Account	\$2,750/year

2021 TAX RATE SCHEDULES				
If taxable income is:		Then the gross tax payable is:		
Over	But Not Over	Amount	Plus	Of Amount Over
<b>Single taxpayers (other than surviving spouses and heads of households)</b>				
\$0	\$9,950	----- 10% of taxable income -----		
\$9,950	\$40,525	\$995	12%	\$9,950
\$40,525	\$86,375	\$4,664	22%	\$40,525
\$86,375	\$164,925	\$14,751	24%	\$86,375
\$164,925	\$209,425	\$33,603	32%	\$164,925
\$209,425	\$523,600	\$47,843	35%	\$209,425
\$523,600	--	\$157,804.25	37%	\$523,600

HEADS OF HOUSEHOLDS				
\$0	\$14,200	----- 10% of taxable income -----		
\$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	37%	\$523,600

MARRIED INDIVIDUALS (AND SURVIVING SPOUSES) FILING JOINT RETURNS				
\$0	\$19,900	----- 10% of taxable income -----		
\$19,900	\$81,050	\$1,990	12%	\$19,900
\$81,050	\$172,750	\$9,328	22%	\$81,050
\$172,750	\$329,850	\$29,502	24%	\$172,750
\$329,850	\$418,850	\$67,206	32%	\$329,850
\$418,850	\$628,300	\$95,686	35%	\$418,850
\$628,300	--	\$168,993.50	37%	\$628,300

MARRIED INDIVIDUALS FILING SEPARATE RETURNS				
\$0	\$9,950	----- 10% of taxable income -----		
\$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

FIDUCIARY (ESTATES AND TRUSTS) TAXPAYERS				
\$0	\$2,650	----- 10% of taxable income -----		
\$2,650	\$9,550	\$265	24%	\$2,650
\$9,550	\$13,050	\$1,921	35%	\$9,550
\$13,050	--	\$3,146	37%	\$13,050

LTCG RATES BASED ON TAXABLE INCOME			
Filing Status	0% rate	15% rate	20% rate
Single	under \$40,400	\$40,400-445,850	\$445,850+
Married filing separately	under \$40,400	\$40,400-250,800	\$250,800
Married filing jointly	under \$80,800	\$80,800-501,600	\$501,600+
Head of household	under \$54,100	\$54,100-473,750	\$473,750+

HEALTH SAVINGS ACCOUNT	
Minimum deductible amount:	
Single	\$1,400
Family	\$2,800
Maximum out-of-pocket amount:	
Single	\$7,000
Family	\$14,000
HSA statutory contribution maximum:	
Single	\$3,600
Family	\$7,200
Catch-up contributions (age 55 or older)	\$1,000

EDUCATION	
EE bonds for education - exclusion phaseout:	
Single	\$83,200 - 97,350
Married filing jointly	\$124,800 - 153,550
Coverdell Education Savings Account (\$2,000 limit) phaseout:	
Single	\$95,000 - 110,000
Married filing jointly	\$190,000 - 220,000
Lifetime Learning credit - maximum of \$2,000 of qualified expenses up to \$10,000:	
Single	\$69,000
Married filing jointly	\$138,000
American Opportunity tax credit - maximum of \$2,500:	
100% up to \$2,000 of qualified expenses	
25% on next \$2,000 - phaseout:	
Single	\$80,000 - 90,000
Married filing jointly	\$160,000 - 180,000
Education loan deduction (\$2,500) phaseout:	
Unmarried	\$70,000 - 85,000
Married filing jointly	\$140,000 - 170,000

INCOME TAX EXEMPTIONS, DEDUCTIONS AND CREDITS	
Personal exemption	\$0
Standard deduction:	
Single	\$12,550
Married filing jointly	\$25,100
Head of household	\$18,800
Married filing separately	\$12,550
Kiddie tax limited standard deduction	\$1,100
Individual eligible to be claimed as dependent - greater of \$1,100 or earned income plus \$350, not to exceed full standard deduction of \$12,550.	
Elderly or blind additional deduction:	
Single	\$1,700
Married	\$1,350
Section 179:	
Maximum election	\$1,000,000
Phaseout begins	\$2,000,000
Adoption credit (nonrefundable):	
Maximum	\$14,300
Phaseout	\$214,520-254,520
Medicare Contribution tax and additional Medicare Tax	
Single	\$200,000
Head of Household	\$200,000
Married filing jointly	\$250,000
Child tax credit	
Dependent under age 17	\$2,000
Other dependents	\$500
Phaseout (\$50 for every \$1,000 over):	
Single	\$200,000
Married filing jointly	\$400,000

ALTERNATIVE MIN TAX (AMT)	Exemption	Phaseout
Single	\$73,600	\$523,600
Married filing jointly	\$114,600	\$1,047,200
Married filing separately	\$57,300	\$523,600
Trusts and estates	\$25,700	\$85,650

AMT RATES
26% up to \$199,900 of AMT base
28% over \$199,900 of AMT base