

2021 TAX REFERENCE GUIDE

Federal Income Taxes		
MARRIED FILING JOINTLY & SURVIVING SPOUSES		
Taxable Income		Tax Rate
\$0 - \$19,900		10.0%
\$19,901 - \$81,050		12.0%
\$81,051 - \$172,750		22.0%
\$172,751 - \$329,850		24.0%
\$329,851 - \$418,850		32.0%
\$418,851 - \$628,300		35.0%
\$628,301 +		37.0%
HEAD OF HOUSEHOLD		
Taxable Income		Tax Rate
\$0 - \$14,200		10.0%
\$14,201 - \$54,200		12.0%
\$54,201 - \$86,350		22.0%
\$86,351 - \$164,900		24.0%
\$164,901 - \$209,400		32.0%
\$209,401 - \$523,600		35.0%
\$523,601 +		37.0%
SINGLE FILERS		
Taxable Income		Tax Rate
\$0 - \$9,950		10.0%
\$9,951 - \$40,525		12.0%
\$40,526 - \$86,375		22.0%
\$86,376 - \$164,925		24.0%
\$164,926 - \$209,425		32.0%
\$209,426 - \$523,600		35.0%
\$523,601 +		37.0%
MARRIED FILING SEPERATELY		
Taxable Income		Tax Rate
\$0 - \$9,950		10.0%
\$9,951 - \$40,525		12.0%
\$40,526 - \$86,375		22.0%
\$86,376 - \$164,925		24.0%
\$164,926 - \$209,425		32.0%
\$209,426 - \$314,150		35.0%
\$314,150 +		37.0%
TRUSTS AND ESTATES		
Taxable Income		Tax Rate
\$0 - \$2,650		10.0%
\$2,651 - \$9,550		24.0%
\$9,551 - \$13,050		35.0%
\$13,050 +		37.0%

Standard Deductions		
	2020	2021
Single	\$12,400	\$12,550
Married filing jointly	\$24,800	\$26,100
Married filing seperately	\$12,400	\$12,550
Head of household	\$18,650	\$18,800
Personal exemption	\$0	\$0

Capital Gains & Dividends		
CAPITAL GAINS & DIVIDENDS		
Income Tax Bracket:	Rate:	
0-12%	0%	
22%-35%	15%	
37%	20%	

UNEARNED INCOME MEDICARE CONTRIBUTION TAX		
<i>3.8% surtax applied to lower of Net Investment Income or MAGI over threshold</i>		
Filing Status	MAGI	Rate:
Single/Head of Houshold	\$200,000+	3.8%
Married Filing Jointly/ Seperately	\$250,000+ / \$125,000+	3.8%
Trusts & Estates	\$12,500	3.8%

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, 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

RETIREMENT		
Traditional IRA & Roth IRA		
	2020	2021
IRA-ROTH IRA CONTRIBUTION LIMIT		
Contribution Limit	\$6,000	\$6,000
50+ Catch-up	\$1,000	\$1,000
TRADITIONAL IRA DEDUCTIBILITY PHASE-OUT BASED ON MAGI		
Participants in employer plans		
Married-Jointly	\$104,000- \$124,000	\$105,000- \$125,000
Married Seperately	\$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
ROTH IRA PHASE-OUT BASED ON MAGI		
Married-Jointly	\$193,000- \$203,000	\$198,000- \$208,000
Married-Separately	\$0- \$10,000	\$0- \$10,000
All others	\$122,000- \$137,000	\$125,000- \$140,000

Qualified Plans		
	2020	2021
401k, 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 defined contribution plan	\$230,000	\$230,000
Maximum compensation considered	\$285,000	\$285,000
Highly compensated employee	\$130,000	\$130,000
Maximum QLAC	\$135,000	\$135,000

Special catch-up rules apply to certain 403(b) contributors with 15 or more years of service and governmental 457(b) participants in the last 3 yrs before retirement.

EDUCATION		
Maximum 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	
Phase-Outs for American Opportunity Credit/ Hope Scholarship Credit	
Married Filing Jointly	\$160,000 - \$180,000
Others	\$80,000 - \$90,000
Phase-Outs for Lifetime Learning Credits	
Married Filing Jointly	\$119,000 - \$139,000
Others	\$59,500 - \$69,500
Phase-Outs for Exclusion of U/S/ Savings Bond Income	
Married Filing Jointly	\$124,800 - \$154,800
Others	\$83,200 - \$98,200
529 Plan Contributions	
\$15,000 per year per child	
Accelerate 5 years of gifting into 1 year per individual	\$75,000
per couple	\$150,000

Business Income Taxes	
C Corporations	
Taxable Net Incom	21% Tax Rate
S Corporations and LLCs	
Taxable K-1 Pass-Through Income	Individual Tax Rate
<i>*Qualified business income* is eligible for a 20% K-1 deduction (i.e. 37% bracket = 29.6% marginal rate)</i>	
<i>*Generally, "Specified Service Businesses" are NOT eligible for a 20% K-1 deduction unless entire taxable income (including K-1 pass-through profits) falls below certain thresholds</i>	

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Social Security		
	2020	2021
TAXABLE WAGE BASE		
Social Security (OASDI)	\$137,700	\$142,800
Medicare (HI only)	No limit	No limit
RETIREMENT EARNING TEST		
Under full retirement age	\$18,240/yr (\$1,520/mo)	\$18,960/yr (\$1,580/mo)
<i>Note: One dollar in benefits will be withheld for every \$2 in earnings above the limit</i>		
Year reaching full retirement age	\$48,600/yr (\$4,050/mo)	\$50,520/yr (\$4,210/mo)
<i>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</i>		
TAXABILITY OF BENEFITS (Based on Provisional Income and Filing Status)		
	Individual	Married Filed 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	\$34,000+	\$44,000+
Married Filed Separately		
Up to 85% of benefits are taxable		
Provisional Income = Adjusted Gross Income + Nontaxable Income + 1/2 Social security benefits		
AGE TO RECEIVE FULL BENEFITS		
Year of Birth	Full Retirement Age	% 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%
DELAYED RETIREMENT CREDITS		
Year of Birth	Yearly Rate of Increase	
1943 or later	8.0%	
<i>Accrues when you reach full retirement age until you start receiving benefits or reach age 70</i>		

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%
<i>*Beginning in 2013, the additional Medicare tax applied to wages and self-employment income above the following thresholds:</i>		
Filing Status:	Wages or Self-Employment Income above the MAGI threshold:	
Married-Jointly	>\$250,000	
Married-Separately	>\$125,000	
Others	>\$200,000	

Single Life "Inherited" Table					
Age	Life Expectancy	Age	Life Expectancy	Age	Life Expectancy
35	48.5	52	32.3	69	17.8
36	47.5	53	31.4	70	17.0
37	46.5	54	30.5	71	16.3
38	45.6	55	29.6	72	15.5
39	44.6	56	28.7	73	14.8
40	43.6	57	27.9	74	14.1
41	42.7	58	27.0	75	13.4
42	41.7	59	26.1	76	12.7
43	40.7	60	25.2	77	12.1
44	39.8	61	24.4	78	11.4
45	38.8	62	23.5	79	10.8
46	37.9	63	22.7	80	10.2
47	37.0	64	21.8	81	9.7
48	36.0	65	21.0	82	9.1
49	35.1	66	20.2	83	8.6
50	34.2	67	19.4	84	8.1
51	33.3	68	18.6	85	7.6

Long Term Care Insurance					
MAX QUALIFIED LTC PREMIUM ELIGIBLE FOR DEDUCTIONS: S Corp OWNERS - LLC OWNERS					
Age	40 or less	41-50	51-60	61-70	over 70
2021	\$450	\$850	\$1,690	\$4,520	\$5,640
2020	\$430	\$810	\$1,630	\$4,340	\$5,430
<i>Qualified LTC Contract per diem limit: \$400 (\$380 in 2020)</i>					

Uniform Lifetime Table					
Age	Divisor Balance	% Account	Age	Divisor Balance	% Account
70	27.4	3.65	86	14.1	7.09
71	26.5	3.77	87	13.4	7.46
72	25.6	3.91	88	12.7	7.87
73	24.7	4.05	89	12.0	8.33
74	23.8	4.20	90	11.4	8.77
75	22.9	4.37	91	10.8	9.26
76	22.0	4.55	92	10.2	9.80
77	21.2	4.72	93	9.6	10.42
78	20.3	4.93	94	9.1	10.99
79	19.5	5.13	95	8.6	11.63
80	18.7	5.35	96	8.1	12.35
81	17.9	5.59	97	7.6	13.16
82	17.1	5.85	98	7.1	14.08
83	16.3	6.13	99	6.7	14.93
84	15.5	6.45	100	6.3	15.87
85	14.8	6.76	101	5.9	16.95

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

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