



2021 TAX SUMMARY

Tax Brackets for 2021

Taxable income (i.e., income minus deductions and exemptions) between:

Married, Joint

\$0-\$19,900	10%
\$19,901 - \$81,050	12%
\$81,051 - \$172,750	22%
\$172,751 - \$329,850	24%
\$329,851 - \$418,850	32%
\$418,851 - \$628,300	35%
Over \$628,300	37%
Capital gains/qualified dividends	
\$0 - \$80,800	0%
\$80,801 - \$501,600	15%
\$501,601 and over	20%

Single

\$0 - \$9,950	10%
\$9,951 - \$40,525	12%
\$40,526 - \$86,375	22%
\$86,376 - \$164,925	24%
\$164,926 - \$209,425	32%
\$209,426 - \$523,600	35%
Over \$523,600	37%
Capital gains/qualifications dividends	
\$0 - \$40,400	0%
\$40,401 - \$445,850	15%
\$445,851 and over	20%

Married, Separate

\$0 - \$9,950	10%
\$9,951 - \$40,525	12%
\$40,526 - \$86,375	22%
\$86,376 - \$164,925	24%
\$164,926 - \$209,425	32%
\$209,426 - \$314,150	35%
Over \$314,150	37%
Capital gains/qualifications dividends	
\$0 - \$40,400	0%
\$40,401 - \$250,800	15%
\$250,801 and over	20%

Head of Household

\$0 - \$14,200	10%
\$14,201 - \$54,200	12%
\$54,201 - \$86,350	22%
\$86,351 - \$164,900	24%
\$164,901 - \$209,400	32%
\$209,401 - \$523,600	35%
Over \$523,600	37%
Capital gains/qualification dividends	
\$0 - \$54,100	0%
\$54,101 - \$473,750	15%
\$473,751 and over	20%

Estates and Trusts

\$0 - \$2,650	10%
\$2,651 - \$9,950	24%
\$9,951 - \$13,050	35%
over \$13,050	37%
Capital gains/qualification dividends	
\$0 - \$2,700	0%
\$2,701 - \$13,250	15%
\$13,251 and over	20%

Corporate Tax Rate 21%

Standard Deduction

Married, joint	\$25,100
Single	\$12,550
Head of Household	\$18,800
Blind or over 65: add \$1,350 if married: \$1,700 if single or head of household	

Child/Dependent Tax Credit

Child	\$2,000 per child up to \$1,400 refundable
Qualifying Dependent	\$500 per dependent, nonrefundable

Mortgage Interest Deduction

On acquisition or home improvement indebtedness up to \$750,000 incurred after 12/15/2017 for first or second home.

State and Local Tax Deduction Limit

State and local income and property tax deduction	\$10,000
\$5,000 if married filing separately	

Alternative Minimum Tax Exemption Amount

Married, joint	\$114,600
Single, HOH ¹	\$73,600
Married, separate	\$57,300

IRA & Pension Plan Limits

IRA contribution

Under age 50	\$6,000
Age 50 and over	\$7,000

Phaseout for deducting IRA contribution²

Married, joint	\$105,000 - \$125,000 AGI
Single, HOH1	\$66,000 - \$76,000 AGI
Married, separate	\$0 - \$10,000 AGI

Phaseout for deducting spousal IRA²

\$198,000 - \$208,000 AGI

Phaseout of Roth contribution eligibility

Married, joint	\$198,000 - \$208,000 MAGI
Single, HOH1	\$125,000 - \$140,000 MAGI
Married, separate	\$0 - \$10,000 MAGI

SEP contribution

Up to 25% of compensation, limit \$58,000

Compensation to participate in SEP \$650

SIMPLE elective deferral

Under age 50	\$13,500
Age 50 and over	\$16,500

401(k), 403(b)³, 457⁴ and SARSEP elective deferral under age 50 \$19,500

401(k), 403(b)³, 457⁴ and SARSEP elective deferral age 50 and over \$26,000

Annual defined contribution limit \$58,000

Annual defined benefit limit \$230,000

Highly compensated employee \$130,000

Key employee in top-heavy plan \$185,000

Annual compensation taken into account for qualified plans \$290,000

Retirement Tax Credit

A percentage tax credit for an IRA, 401(k), 403(b)³ or 457⁴ plan contribution, in addition to deduction or exclusion, if

Married, joint	Below \$66,000 MAGI
Head of Household	Below \$49,500 MAGI
Single, Married, separate	Below \$33,000 MAGI

Maximum qualified longevity annuity contract (QLAC) premium \$135,000

Gift and Estate Tax

Gift tax annual exclusion	\$15,000
Estate and gift tax rate	40%
Estate tax exemption	\$11,700,000
Lifetime gift exemption	\$11,700,000
GST exemption	\$11,700,000
Annual exclusion for gifts to noncitizen spouse	\$159,000

Additional Medicare Tax Where Income Exceeds \$200,000 (\$250,000 married, joint)

Additional tax on excess of earned income ⁵	0.9%
Additional tax on net investment income ⁶	3.8%

Health Care

Eligible Long-Term Care Deduction Limit

Age 40 or younger	\$450
Ages 41 to 50	\$850
Ages 51 to 60	\$1,690
Ages 61 to 70	\$4,520
Ages over 70	\$5,640

Per Diem Limitation for LTC Benefits \$400

Affordable Care Act: The Tax Cuts and Jobs Act eliminated the individual mandate penalty.

1. Head of Household
2. Assumes individual or spouse also participates in an employer-sponsored retirement plan.
3. Special increased limit may apply to certain 403(b) contributions with 15 or more years of service.
4. In last three years prior to year of retirement, 457 plan participant may be able to double elective deferral if needed to catch-up on prior missed contributions, but if they do, they cannot use catch-up.
5. Total Employee Medicare Tax is 1.45%+0.9%=2.35%
6. Including interest, dividends, capital gains and annuity distributions.

2021 TAX REFERENCE SHEET

Education

Coverdell Education Savings Account	\$2,000
Coverdell contribution eligibility phaseout	
Married, joint	\$190,000 - \$220,000
All others	\$95,000 - \$110,000
Student loan interest deduction limit	\$2,500
Interest deduction is phased out	
Married, joint	\$140,000 - \$170,000 MAGI
All others	\$70,000 - \$85,000 MAGI
Phaseout of Lifetime Learning Credits	
Married, joint	\$119,000 - \$139,000
All others	\$59,000 - \$69,000
Tax-free savings bonds interest phaseout	
Married, joint	\$124,800 - \$154,800 MAGI
All others	\$83,200 - \$98,200 MAGI

Social Security⁷

Maximum wage base	\$142,800
Amount needed to earn one credit	\$1,470
Amount needed to earn four credits	\$5,880
Full retirement age	67 years 0 months
Social Security Tax Rates	
Employee	7.65%
Employer	7.65%
Self-Employed	15.30%
Maximum monthly retirement benefit at full retirement age	\$3,148
Cost of Living Adjustment	1.3%
Income ⁸ (in retirement) causing Social Security benefits to be taxable	
Married, joint	
Up to 50% taxable	\$32,000 MAGI
Up to 85% taxable	\$44,000 MAGI
Single	
Up to 50% taxable	\$25,000 MAGI
Up to 85% taxable	\$34,000 MAGI

Loss of Social Security benefits:
In years prior to full retirement age, \$1 in benefits will be lost for every \$2 of earnings in excess of \$18,960. In the year of full retirement age, \$1 in benefits will be lost for every \$3 of earnings in excess of \$50,520 (applies only to months of earnings prior to full retirement age). There is no limit on earnings beginning the month an individual attains full retirement age.

Average monthly benefit (December 2018)⁹

Average monthly retirement benefit	
Men	\$1,671
Women	\$1,337
Average monthly survivor benefit	
Men	\$1,261
Women	\$1,429

Uniform Lifetime Table

*Below table effective until 2021.
Use to calculate required minimum distributions from IRAs and qualified plans **during** owner's life. Do not use this table if owner has spousal beneficiary more than 10 years younger. Instead use Joint Life Table from IRS Pub. 590.

Taxpayer's Age	% of acct.	Life Expectancy	Taxpayer's Age	% of acct.	Life Expectancy
70	3.65	27.4	93	10.42	9.6
71	3.77	26.5	94	10.99	9.1
72	3.91	25.6	95	11.63	8.6
73	4.05	24.7	96	12.35	8.1
74	4.20	23.8	97	13.10	7.6
75	4.37	22.9	98	14.08	7.1
76	4.55	22.0	99	14.93	6.7
77	4.72	21.2	100	15.87	6.3
78	4.93	20.3	101	16.95	5.9
79	5.13	19.5	102	18.18	5.5
80	5.35	18.7	103	19.23	5.2
81	5.59	17.9	104	20.41	4.9
82	5.85	17.1	105	22.22	4.5
83	6.13	16.3	106	23.81	4.2
84	6.45	15.5	107	25.64	3.9
85	6.76	14.8	108	27.03	3.7
86	7.09	14.1	109	29.41	3.4
87	7.46	13.4	110	32.26	3.1
88	7.87	12.7	111	34.48	2.9
89	8.33	12.0	112	38.46	2.6
90	8.77	11.4	113	41.67	2.4
91	9.26	10.8	114	47.62	2.1
92	9.80	10.2	115+	52.63	1.9

Single Life Table After IRA Owner's Death

Use to calculate required minimum distributions from IRAs and qualified plans **after** owner's death. See IRS Pub. 590 for complete table of ages 0 through 111+

*This table is generally available only where the IRA owner passed in 2019 or earlier. Some exclusions apply.

Taxpayer's Age	% of acct.	Life Expectancy	Taxpayer's Age	% of acct.	Life Expectancy
39	2.24	44.6	63	4.41	22.7
40	2.29	43.6	64	4.59	21.8
41	2.34	42.7	65	4.76	21.0
42	2.40	41.7	66	4.95	20.2
43	2.46	40.7	67	5.15	19.4
44	2.51	39.8	68	5.38	18.6
45	2.58	38.8	69	5.61	17.8
46	2.64	37.9	70	5.88	17.0
47	2.70	37.0	71	6.13	16.3
48	2.78	36.0	72	6.45	15.5
49	2.85	35.1	73	6.76	14.8
50	2.92	34.2	74	7.09	14.1
51	3.00	33.3	75	7.46	13.4
52	3.10	32.3	76	7.87	12.7
53	3.18	31.4	77	8.26	12.1
54	3.28	30.5	78	8.77	11.4
55	3.38	29.6	79	9.26	10.8
56	3.48	28.7	80	9.80	10.2
57	3.58	27.9	81	10.31	9.7
58	3.70	27.0	82	10.99	9.1
59	3.83	26.1	83	11.63	8.6
60	3.97	25.2	84	12.35	8.1
61	4.10	24.4	85	13.16	7.6
62	4.26	23.5	86	14.08	7.1

7. Source: Social Security Administration, www.ssa.gov, 1/8/2021

8. Income is most income including municipal bond interest but only 1/2 of Social Security.

9. Source: Fast Facts and Figures about Social Security, 2020.



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