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VOYA FINANCIAL ADVISORS

# 2021 Key Numbers



# Individual Income Tax Planning

## Adoption credit

Adoption credit	2020	2021
Maximum credit	\$14,300	\$14,440
Phaseout threshold amount	\$214,520	\$216,660
Completed phaseout amount after	\$254,520	\$256,660

## Alternative Minimum Tax (AMT)

Maximum AMT exemption amount	2020	2021
Married filing jointly or surviving spouse	\$113,400	\$114,600
Single or head of household	\$72,900	\$73,600
Married filing separately	\$56,700	\$57,300

AMT income exemption phaseout threshold	2020	2021
Married filing jointly or surviving spouse	\$1,036,800	\$1,047,200
Single or head of household	\$518,400	\$523,600
Married filing separately	\$518,400	\$523,600

AMT tax rate (26% rate applies to AMTI at or below amount; 28% applies to AMTI above amount)	2020	2021
All taxpayers except married filing separately	\$197,900	\$199,900
Married filing separately	\$98,950	\$99,950

## Charitable deductions

Use of auto	2020	2021
Deductible standard mileage rate	\$0.14	\$0.14

Charitable fundraising "insubstantial benefit" limitation	2020	2021
Low-cost article (re: unrelated business income)	\$11.20	\$11.30



<b>Gifts to donor in return for contribution</b>	<b>2020</b>	<b>2021</b>
Token gift maximum cost <sup>1</sup>	\$11.20	\$11.30
Minimum contribution amount <sup>1</sup>	\$56	\$56.50
2% threshold amount <sup>2</sup>	\$112	\$113

<sup>1</sup> Contribution is fully deductible if minimum contribution amount is met and cost of token gift does not exceed maximum

<sup>2</sup> Charitable contribution is fully deductible if the benefit received by the donor doesn't exceed the lesser of the threshold amount or 2% of the amount of the contribution

### Child tax credit

<b>Amount of credit</b>	<b>2020</b>	<b>2021</b>
Maximum credit per qualifying child	\$2,000	\$2,000
Nonrefundable credit for dependents who are not qualifying children	\$500	\$500

<b>Phaseout -- credit reduced by \$50 for each \$1,000 or fraction thereof of MAGI over:</b>	<b>2020</b>	<b>2021</b>
Single	\$200,000	\$200,000
Married Filing Jointly	\$400,000	\$400,000
Married Filing Separately	\$200,000	\$200,000

<b>Refundability -- up to specified percentage of earned income in excess of specified amount</b>	<b>2020</b>	<b>2021</b>
Percentage	15%	15%
Amount	\$2,500	\$2,500
Maximum refundable amount of credit	\$1,400	\$1,400

### Classroom expenses of elementary and secondary school teachers

<b>Classroom expense deduction</b>	<b>2020</b>	<b>2021</b>
Maximum above-the-line deduction	\$250	\$250



## Earned income tax credit (EITC)

Investment income limit	2020	2021
Excessive investment income limit ("disqualified income limit")	\$3,650	\$3,650

Maximum amount of EITC per number of children	2020	2021
0 children	\$538	\$543
1 child	\$3,584	\$3,618
2 children	\$5,920	\$5,980
3 or more children	\$6,660	\$6,728

Maximum amount of earned income on which EITC is based (earned income over this amount but under the threshold phaseout amount will not change the amount of the credit received)	2020	2021
0 children	\$7,030	\$7,100
1 child	\$10,540	\$10,640
2 or more children	\$14,800	\$14,950

Threshold phaseout amount for joint filers per number of children	2020	2021
0 children	\$14,680	\$14,820
1 child	\$25,220	\$25,470
2 children	\$25,220	\$25,470
3 or more children	\$25,220	\$25,470

Threshold phaseout amount for other filers per number of children	2020	2021
0 children	\$8,790	\$8,880
1 child	\$19,330	\$19,520
2 children	\$19,330	\$19,520
3 or more children	\$19,330	\$19,520

Completed phaseout amount for joint filers per number of children	2020	2021
0 children	\$21,710	\$21,920
1 child	\$47,646	\$48,108
2 children	\$53,330	\$53,865
3 or more children	\$56,844	\$57,414



Completed phaseout amount for other filers per number of children	2020	2021
0 children	\$15,820	\$15,980
1 child	\$41,756	\$42,158
2 children	\$47,440	\$47,915
3 or more children	\$50,954	\$51,464

## Expatriation

Covered expatriate	2020	2021
An individual with "average annual net income tax" of more than this amount for the five taxable years ending before his or her loss of citizenship is a covered expatriate for the purposes of IRC §877A(g)(1)	\$171,000	\$172,000
IRC §877A(3) exclusion amount	\$737,000	\$744,000

## Foreign earned income

Amount excluded from income	2020	2021
Exclusion amount	\$107,600	\$108,700

## Itemized deductions

Phaseout threshold	2020	2021
Married filing jointly	N/A	N/A
Head of household	N/A	N/A
Unmarried	N/A	N/A
Married filing separately	N/A	N/A

## Kiddie tax

Unearned income limit	2020	2021
Amount exempt from tax	\$1,100	\$1,100
Additional amount taxed at child's rate	\$1,100	\$1,100
Unearned income over this amount generally taxed at parents' tax rates <sup>1</sup>	\$2,200	\$2,200



Parent's election	2020	2021
Election to include child's income on parent's return -- child's gross income requirement	\$1,100 - \$11,000	\$1,100 - \$11,000

AMT	2020	2021
AMT exemption for child subject to kiddie tax	Lesser of \$7,900 + child's earned income or \$72,900	Lesser of \$7,950 + child's earned income or \$73,600

<sup>1</sup> Taxed at parents' tax rates in 2020 and 2021. In 2019, taxed at trust and estate income tax rates (special rules apply to alternative minimum tax purposes) but retroactive election may be made to tax at parents' tax rates.

### Medicare tax (additional payroll tax and unearned income contribution tax)

Payroll tax	2020	2021
Additional Medicare payroll tax (and self-employment tax) percentage rate	0.90%	0.90%

Applies to wages/self-employment income exceeding	2020	2021
Individuals	\$200,000	\$200,000
Married filing jointly	\$250,000	\$250,000
Married filing separately	\$125,000	\$125,000

Tax on unearned income	2020	2021
Unearned income Medicare contribution tax rate	3.80%	3.80%

Applies to lesser of (a) net investment income or (b) modified adjusted gross income exceeding	2020	2021
Individuals	\$200,000	\$200,000
Married filing jointly	\$250,000	\$250,000
Married filing separately	\$125,000	\$125,000

### Nanny tax

Compensation threshold	2020	2021
Domestic employee coverage threshold	\$2,200	\$2,300



## Personal exemption amount

Amount	2020	2021
Personal exemption amount	N/A	N/A

Married filing jointly	2020	2021
Phaseout threshold amount	N/A	N/A
Completed phaseout amount after	N/A	N/A

Head of household	2020	2021
Phaseout threshold amount	N/A	N/A
Completed phaseout amount after	N/A	N/A

Unmarried	2020	2021
Phaseout threshold amount	N/A	N/A
Completed phaseout amount after	N/A	N/A

Married filing separately	2020	2021
Phaseout threshold amount	N/A	N/A
Completed phaseout amount after	N/A	N/A

## "Saver's Credit"

Elective Deferrals and IRA or ABLE Contributions by Certain Individuals	2020	2021
Maximum credit amount	\$1,000	\$1,000

Applicable percentage of 50% applies to AGI	2020	2021
Joint Return	\$0 - \$39,000	\$0 - \$39,500
Head of Household	\$0 - \$29,250	\$0 - \$29,625
Other	\$0 - \$19,500	\$0 - \$19,750

Applicable percentage of 20% applies to AGI	2020	2021
Joint Return	\$39,001 - \$42,500	\$39,501 - \$43,000
Head of Household	\$29,251 - \$31,875	\$29,626 - \$32,250
Other	\$19,501 - \$21,250	\$19,751 - \$21,500



Applicable percentage of 10% applies to AGI	2020	2021
Joint Return	\$42,501 - \$65,000	\$43,001 - \$66,000
Head of Household	\$31,876 - \$48,750	\$32,251 - \$49,500
Other	\$21,251 - \$32,500	\$21,501 - \$33,000

Applicable percentage of 0% applies to AGI	2020	2021
Joint Return	Over \$65,000	Over \$66,000
Head of Household	Over \$48,750	Over \$49,500
Other	Over \$32,500	Over \$33,000

## Standard deductions

Amounts	2020	2021
Married filing jointly or surviving spouse	\$24,800	\$25,100
Head of household	\$18,650	\$18,800
Unmarried	\$12,400	\$12,550
Married filing separately	\$12,400	\$12,550
Dependent--Standard deduction cannot exceed the greater of:	\$1,100 or \$350 + earned income	\$1,100 or \$350 + earned income
Additional deduction for aged or blind (single or head of household)	\$1,650	\$1,700
Additional deduction for aged or blind (all other filing statuses)	\$1,300	\$1,350

## Standard mileage rates

Applicable rates	2020	2021
Use of auto for business purposes (cents per mile)	\$0.575	TBD
Use of auto for medical purposes (cents per mile)	\$0.17	TBD
Use of auto for moving purposes (cents per mile)	\$0.17	TBD





# 2021

January	February	March
Su Mo Tu We Th Fr Sa 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31	Su Mo Tu We Th Fr Sa 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28	Su Mo Tu We Th Fr Sa 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31
April	May	June
Su Mo Tu We Th Fr Sa 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30	Su Mo Tu We Th Fr Sa 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31	Su Mo Tu We Th Fr Sa 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30

## 2021 Federal Income Tax Rate Schedules (Individuals, Trusts, and Estates)

### Single taxpayers

If taxable income is:	Your tax is:
Not over \$9,950	10% of taxable income
Over \$9,950 to \$40,525	\$995 + 12% of the excess over \$9,950
Over \$40,525 to \$86,375	\$4,664 + 22% of the excess over \$40,525
Over \$86,375 to \$164,925	\$14,751 + 24% of the excess over \$86,375
Over \$164,925 to \$209,425	\$33,603 + 32% of the excess over \$164,925
Over \$209,425 to \$523,600	\$47,843 plus 35% of the excess over \$209,425
Over \$523,600	\$157,804.25 plus 37% of the excess over \$523,600

### Married filing jointly and surviving spouses

If taxable income is:	Your tax is:
Not over \$19,900	10% of taxable income
Over \$19,900 to \$81,050	\$1,990 + 12% of the excess over \$19,900
Over \$81,050 to \$172,750	\$9,328 plus 22% of the excess over \$81,050
Over \$172,750 to \$329,850	\$29,502 plus 24% of the excess over \$172,750
Over \$329,850 to \$418,850	\$67,206 plus 32% of the excess over \$329,850
Over \$418,850 to \$628,300	\$95,686 plus 35% of the excess over \$418,850
Over \$628,300	\$168,993.50 plus 37% of the excess over \$628,300

### Married individuals filing separately

If taxable income is:	Your tax is:
Not over \$9,950	10% of taxable income
Over \$9,950 to \$40,525	\$995 + 12% of the excess over \$9,950
Over \$40,525 to \$86,375	\$4,664 plus 22% of the excess over \$40,525
Over \$86,375 to \$164,925	\$14,751 plus 24% of the excess over \$86,375
Over \$164,925 to \$209,425	\$33,603 plus 32% of the excess over \$164,925
Over \$209,425 to \$314,150	\$47,843 plus 35% of the excess over \$209,425
Over \$314,150	\$84,496.75 plus 37% of the excess over \$314,150



# 2020

January	February	March
Su Mo Tu We Th Fr Sa 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31	Su Mo Tu We Th Fr Sa 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29	Su Mo Tu We Th Fr Sa 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31
April	May	June
Su Mo Tu We Th Fr Sa 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30	Su Mo Tu We Th Fr Sa 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31	Su Mo Tu We Th Fr Sa 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30

## Heads of household

If taxable income is:	Your tax is:
Not over \$14,200	10% of taxable income
Over \$14,200 to \$54,200	\$1,420 + 12% of the excess over \$14,200
Over \$54,200 to \$86,350	\$6,220 plus 22% of the excess over \$54,200
Over \$86,350 to \$164,900	\$13,293 plus 24% of the excess over \$86,350
Over \$164,900 to \$209,400	\$32,145 plus 32% of the excess over \$164,900
Over \$209,400 to \$523,600	\$46,385 plus 35% of the excess over \$209,400
Over \$523,600	\$156,355 plus 37% of the excess over \$523,600

## Trusts and estates

If taxable income is:	Your tax is:
Not over \$2,650	10% of taxable income
Over \$2,650 to \$9,550	\$265 + 24% of the excess over \$2,650
Over \$9,550 to \$13,050	\$1,921 + 35% of the excess over \$9,550
Over \$13,050	\$3,146 + 37% of the excess over \$13,050

## 2020 Federal Income Tax Rate Schedules (Individuals, Trusts, and Estates)

### Single taxpayers

If taxable income is:	Your tax is:
Not over \$9,875	10% of taxable income
Over \$9,875 to \$40,125	\$987.50 + 12% of the excess over \$9,875
Over \$40,125 to \$85,525	\$4,617.50 + 22% of the excess over \$40,125
Over \$85,525 to \$163,300	\$14,605.50 + 24% of the excess over \$85,525
Over \$163,300 to \$207,350	\$33,271.50 + 32% of the excess over \$163,300
Over \$207,350 to \$518,400	\$47,367.50 + 35% of the excess over \$207,350
Over \$518,400	\$156,235 + 37% of the excess over \$518,400

### Married filing jointly and surviving spouses

If taxable income is:	Your tax is:
Not over \$19,750	10% of taxable income
Over \$19,750 to \$80,250	\$1,975 + 12% of the excess over \$19,750
Over \$80,250 to \$171,050	\$9,235 + 22% of the excess over \$80,250
Over \$171,050 to \$326,600	\$29,211 + 24% of the excess over \$171,050
Over \$326,600 to \$414,700	\$66,543 + 32% of the excess over \$326,600
Over \$414,700 to \$622,050	\$94,735 + 35% of the excess over \$414,700
Over \$622,050	\$167,307.50 + 37% of the excess over \$622,050



## Married individuals filing separately

If taxable income is:	Your tax is:
Not over \$9,875	10% of taxable income
Over \$9,875 to \$40,125	\$987.50 + 12% of the excess over \$9,875
Over \$40,125 to \$85,525	\$4,617.50 + 22% of the excess over \$40,125
Over \$85,525 to \$163,300	\$14,605.50 + 24% of the excess over \$85,525
Over \$163,300 to \$207,350	\$33,271.50 + 32% of the excess over \$163,300
Over \$207,350 to \$311,025	\$47,367.50 + 35% of the excess over \$207,350
Over \$311,025	\$83,653.75 + 37% of the excess over \$311,025

## Heads of household

If taxable income is:	Your tax is:
Not over \$14,100	10% of taxable income
Over \$14,100 to \$53,700	\$1,410 + 12% of the excess over \$14,100
Over \$53,700 to \$85,500	\$6,162 + 22% of the excess over \$53,700
Over \$85,500 to \$163,300	\$13,158 + 24% of the excess over \$85,500
Over \$163,300 to \$207,350	\$31,830 + 32% of the excess over \$163,300
Over \$207,350 to \$518,400	\$45,926 + 35% of the excess over \$207,350
Over \$518,400	\$154,793.50 + 37% of the excess over \$518,400

## Trusts and estates

If taxable income is:	Your tax is:
Not over \$2,600	10% of taxable income
Over \$2,600 to \$9,450	\$260 + 24% of the excess over \$2,600
Over \$9,450 to \$12,950	\$1,904 + 35% of the excess over \$9,450
Over \$12,950	\$3,129 + 37% of the excess over \$12,950





## Business Planning

### Adoption Assistance Programs

Adoption assistance	2020	2021
Maximum amount that can be excluded from employee's gross income	\$14,300	\$14,440
Phaseout threshold amount	\$214,520	\$216,660
Completed phaseout amount after	\$254,520	\$256,660

### Earnings subject to FICA taxes (taxable wage base)

FICA tax	2020	2021
Maximum annual earnings subject to Social Security taxes	\$137,700	\$142,800
Social Security and Medicare combined tax rate	15.30% <sup>1</sup>	15.30% <sup>1</sup>
OASDI portion (Social Security)	12.40%	12.40%
Hospital Insurance portion (Medicare)	2.90% <sup>1</sup>	2.90% <sup>1</sup>

<sup>1</sup> An additional Medicare (HI) employee contribution rate of 0.9% (for a total employee contribution of 2.35%, and a total combined Medicare contribution rate of 3.8%) is assessed on wages exceeding \$200,000 (\$250,000 for married couples filing joint returns, \$125,000 for married individuals filing separate returns). For married individuals filing joint returns, the additional 0.9% tax applies to the couples combined wages (to the extent the combined wages exceed \$250,000).

### Health insurance deduction for self-employed

Health insurance premiums	2020	2021
Deduction for health insurance premiums paid by self-employed persons	100%	100%

### Qualified transportation fringe benefits

Qualified transportation fringe benefits	2020	2021
Commuter vehicles and transit pass monthly exclusion amount	\$270	\$270
Qualified parking monthly exclusion amount	\$270	\$270
Qualified bicycle commuting reimbursement fringe benefit (monthly amount)	N/A	N/A



## Section 179 expensing

Section 179 expensing	2020	2021
Maximum amount that may be deducted under IRC Section 179	\$1,040,000	\$1,050,000
Deduction reduced by the amount by which the cost of §179 property placed in service during the year exceeds this amount	\$2,590,000	\$2,620,000

## Small business tax credit for providing health-care coverage

Amount of credit	2020	2021
Maximum credit percentage	50%	50%

Partial credit	2020	2021
Number of full-time equivalent employees (FTEs) fewer than:	25	25
Maximum average annual wages less than:	\$55,200	\$55,600

Full credit	2020	2021
Number of full-time equivalent employees (FTEs) no more than:	10	10
Maximum average annual wages less than or equal to:	\$27,600	\$27,800

## Special additional first-year depreciation allowance

Bonus depreciation	2020	2021
"Bonus" depreciation for qualified property acquired and placed in service during specified time periods	100%	100%

## Standard mileage rate (per mile)

Business use of auto	2020	2021
Use of auto for business purposes	\$0.575	TBD





## Education Planning

### American Opportunity and Lifetime Learning Credits

Education credits	2020	2021
Maximum American Opportunity credit	\$2,500	\$2,500
Maximum Lifetime Learning credit	\$2,000	\$2,000

MAGI phaseout range for American Opportunity credit	2020	2021
Single--phaseout threshold amount	\$80,000	\$80,000
Single--completed phaseout amount after	\$90,000	\$90,000
Married filing jointly--phaseout threshold amount	\$160,000	\$160,000
Married filing jointly--completed phaseout amount after	\$180,000	\$180,000

MAGI phaseout range for Lifetime Learning credit	2020	2021
Single--phaseout threshold amount	\$59,000	\$59,000
Single--completed phaseout amount after	\$69,000	\$69,000
Married filing jointly--phaseout threshold amount	\$118,000	\$119,000
Married filing jointly--completed phaseout amount after	\$138,000	\$139,000

### Coverdell education savings accounts

Coverdell ESAs	2020	2021
Annual contribution limit	\$2,000	\$2,000

MAGI phaseout range for Coverdell education savings accounts	2020	2021
Single--phaseout threshold amount	\$95,000	\$95,000
Single--completed phaseout amount after	\$110,000	\$110,000
Married filing jointly--phaseout threshold amount	\$190,000	\$190,000
Married filing jointly--completed phaseout threshold amount	\$220,000	\$220,000



## Deduction for qualified higher education expenses

Higher education expenses	2020	2021
Maximum deduction	\$4,000	N/A

MAGI maximum for full \$4,000 deduction	2020	2021
Single	\$65,000	N/A
Married filing jointly	\$130,000	N/A

MAGI range for \$2,000 deduction	2020	2021
Single--MAGI greater than this amount:	\$65,000	N/A
Single--MAGI does not exceed this amount:	\$80,000	N/A
Married filing jointly--MAGI greater than this amount:	\$130,000	N/A
Married filing jointly--MAGI does not exceed this amount:	\$160,000	N/A

## Deduction for student loan interest

Education loan interest deduction	2020	2021
Maximum deduction for interest paid on qualified education loans	\$2,500	\$2,500

MAGI phaseout range	2020	2021
Single--phaseout threshold amount	\$70,000	\$70,000
Single--completed phaseout amount after	\$85,000	\$85,000
Married filing jointly--phaseout threshold amount	\$140,000	\$140,000
Married filing jointly--completed phaseout amount after	\$170,000	\$170,000



## Gift tax exclusion

Gift tax	2020	2021
Annual gift tax exclusion--single individual	\$15,000	\$15,000
Annual gift tax exclusion--joint gift	\$30,000	\$30,000
Lump-sum gift to 529 plan--single individual	\$75,000	\$75,000
Lump-sum gift to 529 plan--joint gift	\$150,000	\$150,000

## Kiddie tax

Kiddie tax	2020	2021
Children's unearned income over this amount generally taxed at parents' tax rates	\$2,200	\$2,200

## U.S. savings bonds interest exclusion for college expenses

Joint returns	2020	2021
Phaseout threshold for joint returns	\$123,550	\$124,800
Completed phaseout amount after	\$153,550	\$154,800

Other returns	2020	2021
Phaseout threshold for other returns	\$82,350	\$83,200
Completed phaseout amount after	\$97,350	\$98,200







## Protection Planning

### Eligible long-term care premium deduction limits:

LTC premium deduction limits	2020	2021
Age 40 or under	\$430	\$450
Age 41-50	\$810	\$850
Age 51-60	\$1,630	\$1,690
Age 61-70	\$4,350	\$4,520
Over age 70	\$5,430	\$5,640

### Per diem limit:

LTC periodic payments	2020	2021
Periodic payments for qualified long-term care insurance/certain life insurance	\$380	\$400

### Archer Medical Savings Accounts

High deductible health plan--self-only coverage	2020	2021
Annual deductible--minimum	\$2,350	\$2,400
Annual deductible--maximum	\$3,550	\$3,600
Annual out-of-pocket expenses required to be paid (other than for premiums) can't exceed	\$4,750	\$4,800

High deductible health plan--family coverage	2020	2021
Annual deductible--minimum	\$4,750	\$4,800
Annual deductible--maximum	\$7,100	\$7,150
Annual out-of-pocket expenses required to be paid (other than for premiums) can't exceed	\$8,650	\$8,750



## Flexible spending account (FSA) for health care

Health care FSAs	2020	2021
Maximum salary reduction contribution	\$2,750	\$2,750

## Health Savings Accounts (HSAs)

Annual contribution limit	2020	2021
Self-only coverage	\$3,550	\$3,600
Family coverage	\$7,100	\$7,200

High deductible health plan--self-only coverage	2020	2021
Annual deductible--minimum	\$1,400	\$1,400
Annual out-of-pocket expenses required to be paid (other than for premiums) can't exceed	\$6,900	\$7,000

High deductible health plan--family coverage	2020	2021
Annual deductible--minimum	\$2,800	\$2,800
Annual out-of-pocket expenses required to be paid (other than for premiums) can't exceed	\$13,800	\$14,000

Catch-up contributions	2020	2021
Annual catch-up contribution limit for individuals age 55 or older	\$1,000	\$1,000





## Estate Planning

Key indexed figures	2020	2021
Annual gift exclusion:	\$15,000	\$15,000
Gift and estate tax applicable exclusion amount:	\$11,580,000 + DSUEA <sup>1</sup>	\$11,700,000 + DSUEA <sup>1</sup>
Noncitizen spouse annual gift exclusion:	\$157,000	\$159,000
Generation-skipping transfer (GST) tax exemption:	\$11,580,000 <sup>2</sup>	\$11,700,000 <sup>2</sup>
Special use valuation limit (qualified real property in decedent's gross estate):	\$1,180,000	\$1,190,000

<sup>1</sup> Basic exclusion amount plus deceased spousal unused exclusion amount (exclusion is portable for 2011 and later years)

<sup>2</sup> The GST tax exemption is not portable

### 2020 and 2021 gift and estate tax rate schedule

Taxable Estate	Tentative Tax Equals	Plus	Of Amount Over
0 - \$10,000	\$0	18%	\$0
\$10,000 - \$20,000	\$1,800	20%	\$10,000
\$20,000 - \$40,000	\$3,800	22%	\$20,000
\$40,000 - \$60,000	\$8,200	24%	\$40,000
\$60,000 - \$80,000	\$13,000	26%	\$60,000
\$80,000 - \$100,000	\$18,200	28%	\$80,000
\$100,000 - \$150,000	\$23,800	30%	\$100,000
\$150,000 - \$250,000	\$38,800	32%	\$150,000
\$250,000 - \$500,000	\$70,800	34%	\$250,000
\$500,000 - \$750,000	\$155,800	37%	\$500,000
\$750,000 - \$1,000,000	\$248,300	39%	\$750,000
\$1,000,000 +	\$345,800	40%	\$1,000,000
Credit shelter amount \$11,580,000 in 2020 and \$11,700,000 in 2021	Unified credit amount \$4,577,800 in 2020 and \$4,625,800 in 2021		





# Government Benefits

## Social Security

<b>Social Security Cost-of-living adjustment (COLA)</b>	<b>2020</b>	<b>2021</b>
For Social Security and Supplemental Security Income (SSI) beneficiaries	1.60%	1.30%

<b>Tax rate--employee</b>	<b>2020</b>	<b>2021</b>
FICA tax -- Employee	7.65%	7.65%
Social Security (OASDI) portion of tax	6.20%	6.20%
Medicare (HI) portion of tax	1.45% <sup>1</sup>	1.45% <sup>1</sup>

<b>Tax rate--self-employed</b>	<b>2020</b>	<b>2021</b>
Self-Employed	15.30%	15.30%
Social Security (OASDI) portion of tax	12.40%	12.40%
Medicare (HI) portion of tax	2.90% <sup>1</sup>	2.90% <sup>1</sup>

<sup>1</sup> An additional 0.9% Medicare/hospital insurance tax (for a total employee contribution of 2.35%) is assessed on wages exceeding \$200,000 (\$250,000 for married couples filing joint returns, \$125,000 for married individuals filing separate returns). An additional 0.9% Medicare/hospital insurance tax (for a total Medicare portion of 3.8%) is assessed on self-employment income exceeding \$200,000 (\$250,000 for married couples filing joint returns, \$125,000 for married individuals filing separate returns).

<b>Maximum taxable earnings</b>	<b>2020</b>	<b>2021</b>
Social Security (OASDI only)	\$137,700	\$142,800
Medicare (HI only)	No limit	No limit

<b>Quarter of coverage</b>	<b>2020</b>	<b>2021</b>
Earnings required	\$1,410	\$1,470

<b>Retirement earnings test--exempt amounts--Under full retirement age--Benefits reduced by \$1 for each \$2 earned above:</b>	<b>2020</b>	<b>2021</b>
Yearly figure	\$18,240	\$18,960
Monthly figure	\$1,520	\$1,580

<b>Retirement earnings test--exempt amounts--Year individual reaches full retirement age--Benefits reduced by \$1 for each \$3 earned above (applies only to earnings for months prior to attaining full retirement age):</b>	<b>2020</b>	<b>2021</b>
Yearly figure	\$48,600	\$50,520
Monthly figure	\$4,050	\$4,210

<b>Retirement earnings test--exempt amounts--Beginning the month individual attains full retirement age</b>	<b>2020</b>	<b>2021</b>
	No limit on earnings	No limit on earnings

<b>Social Security disability thresholds</b>	<b>2020</b>	<b>2021</b>
Substantial gainful activity (SGA) for the sighted (monthly figure)	\$1,260	\$1,310
Substantial gainful activity for the blind (monthly figure)	\$2,110	\$2,190
Trial work period (TWP) (monthly figure)	\$910	\$940

<b>SSI federal payment standard</b>	<b>2020</b>	<b>2021</b>
Individual (monthly figure)	\$783	\$794
Couple (monthly figure)	\$1,175	\$1,191

<b>SSI resource limits</b>	<b>2020</b>	<b>2021</b>
Individual	\$2,000	\$2,000
Couple	\$3,000	\$3,000

<b>SSI student exclusion limits</b>	<b>2020</b>	<b>2021</b>
Monthly limit	\$1,900	\$1,930
Annual limit	\$7,670	\$7,770

<b>Maximum Social Security benefit</b>	<b>2020</b>	<b>2021</b>
Worker retiring at full retirement age (monthly figure)	\$3,011	\$3,148



Formula for Monthly Primary Insurance Amount (PIA)	2020	2021
(90% of first X of AIME + 32% of the AIME over X and through Y + 15% of AIME over Y)	X=\$960 Y=\$5,785	X=\$996 Y=\$6,002

## Medicare

Medicare monthly premium amounts--Part A (hospital insurance) premium	2020	2021
Individuals with 40 or more quarters of Medicare-covered employment	\$0	\$0
Individuals with less than 40 quarters of Medicare-covered employment who are not otherwise eligible for premium-free hospital insurance	Up to \$458	Up to \$471

Medicare monthly premium amounts--Part B (medical insurance) monthly premium--for beneficiaries who file an individual income tax return with income that is:	2020	2021
Less than or equal to \$88,000	\$144.60 <sup>2</sup>	\$148.50 <sup>2</sup>
\$88,001 - \$111,000	\$202.40	\$207.90
\$111,001 - \$138,000	\$289.20	\$297.00
\$138,001 - \$165,000	\$376.00	\$386.10
\$165,001 - \$499,999	\$462.70	\$475.20
\$500,000 and above	\$491.60	\$504.90

Medicare monthly premium amounts--Part B (medical insurance) monthly premium--for beneficiaries who file a joint income tax return with income that is:	2020	2021
Less than or equal to \$176,000	\$144.60 <sup>2</sup>	\$148.50 <sup>2</sup>
\$176,001 - \$222,000	\$202.40	\$207.90
\$222,001 - \$276,000	\$289.20	\$297.00
\$276,001 - \$330,000	\$376.00	\$386.10
\$330,001 - \$749,999	\$462.70	\$475.20
\$750,000 and above	\$491.60	\$504.90



<b>Medicare monthly premium amounts--Part B (medical insurance) monthly premium--for beneficiaries who are married, but file a separate tax return from their spouse and lived with spouse at some time during the taxable year with income that is:</b>	<b>2020</b>	<b>2021</b>
Less than or equal to \$88,000	\$144.60 <sup>2</sup>	\$148.50 <sup>2</sup>
\$88,001 - \$412,000	\$462.70	\$475.20
\$412,000 and above	\$491.60	\$504.90

<sup>2</sup> This is the standard Part B premium amount. However, some people who get Social Security benefits will pay more or less than this amount.

<b>Original Medicare plan deductible and coinsurance amounts--Part A (hospital insurance)</b>	<b>2020</b>	<b>2021</b>
Deductible per benefit period	\$1,408	\$1,484
Coinsurance per day for 61st to 90th day of each benefit period	\$352	\$371
Coinsurance per day for 91st to 150th day for each lifetime reserve day (total of 60 lifetime reserve days--nonrenewable)	\$704	\$742

<b>Original Medicare plan deductible and coinsurance amounts</b>	<b>2020</b>	<b>2021</b>
Skilled nursing facility coinsurance per day for 21st to 100th day of each benefit period	\$176	\$185.50

<b>Original Medicare plan deductible and coinsurance amounts--Part B (medical insurance) annual deductible</b>	<b>2020</b>	<b>2021</b>
Individual pays 20 percent of the Medicare-approved amount for services after deductible is met	\$198	\$203





## Medicaid

Income threshold	2020	2021
Monthly income threshold for income-cap states ("300 percent cap limit")	\$2,349	\$2,382

Monthly maintenance needs allowance for at-home spouse	2020	2021
Minimum <sup>3</sup>	\$2,113.75	\$2,155.00
Maximum	\$3,216	TBD

Community spousal resource allowance	2020	2021
Minimum	\$25,728	TBD
Maximum	\$128,640	TBD

<sup>3</sup> Amounts listed actually effective as of July of prior year; different amounts apply to Alaska and Hawaii.

## Retirement Planning

### Employee/individual contribution limits

Elective deferral limits	2020	2021
401(k) plans, 403(b) plans, 457(b) plans, and SAR-SEPs <sup>1</sup> [Includes Roth 401(k) and Roth 403(b) contributions]	Lesser of \$19,500 or 100% of participant's compensation	Lesser of \$19,500 or 100% of participant's compensation
SIMPLE 401(k) plans and SIMPLE IRA plans <sup>1</sup>	Lesser of \$13,500 or 100% of participant's compensation	Lesser of \$13,500 or 100% of participant's compensation

<sup>1</sup> Must aggregate employee contributions to all 401(k), 403(b), SAR-SEP, and SIMPLE plans of all employers. 457(b) plan contributions are not aggregated. For SAR-SEPs, the percentage limit is 25% of compensation reduced by elective deferrals (effectively, a 20% maximum contribution).

IRA contribution limits	2020	2021
Traditional IRAs	Lesser of \$6,000 or 100% of earned income	Lesser of \$6,000 or 100% of earned income
Roth IRAs	Lesser of \$6,000 or 100% of earned income	Lesser of \$6,000 or 100% of earned income

Additional "catch-up" limits (individuals age 50 or older)	2020	2021
401(k) plans, 403(b) plans, 457(b) plans, and SAR-SEPs <sup>2</sup>	\$6,500	\$6,500
SIMPLE 401(k) plans and SIMPLE IRA plans	\$3,000	\$3,000
IRAs (traditional and Roth)	\$1,000	\$1,000





<sup>2</sup> Special catch-up limits may also apply to 403(b) and 457(b) plan participants.

## Employer contribution/benefit<sup>3</sup> limits

Defined benefit plan limits	2020	2021
Annual contribution limit per participant	No predetermined limit. Contributions based on amount needed to fund promised benefits	No predetermined limit. Contributions based on amount needed to fund promised benefits
Annual benefit limit per participant	Lesser of \$230,000 or 100% of average compensation for highest three consecutive years	Lesser of \$230,000 or 100% of average compensation for highest three consecutive years

Defined contribution plan limits [qualified plans, 403(b) plans, SEP, and SIMPLE plans]	2020	2021
Annual addition limit per participant ( <i>employer contributions; employee pre-tax, after-tax, and Roth contributions; and forfeitures</i> ) ( <i>does not apply to SIMPLE IRA plans</i> )	Lesser of \$57,000 or 100% (25% for SEP) of participant's compensation	Lesser of \$58,000 or 100% (25% for SEP) of participant's compensation
Maximum tax-deductible employer contribution [ <i>not applicable to 403(b) plans</i> ]	25% of total compensation of employees covered under the plan (20% if self employed) plus any employee pre-tax and Roth contributions; 100% for SIMPLE plans	25% of total compensation of employees covered under the plan (20% if self employed) plus any employee pre-tax and Roth contributions; 100% for SIMPLE plans

<sup>3</sup> For self-employed individuals, compensation generally means earned income. This means that, for qualified plans, deductible contributions for a self-employed individual are limited to 20% of net earnings from self-employment (net profits minus self-employment tax deduction), and special rules apply in calculating the annual additions limit.

## Compensation limits/thresholds

Retirement plan compensation limits	2020	2021
Maximum compensation per participant that can be used to calculate tax-deductible employer contribution (qualified plans and SEPs)	\$285,000	\$290,000
Compensation threshold used to determine a highly compensated employee	\$130,000 (when 2020 is the look-back year)	\$130,000 (when 2021 is the look-back year)
Compensation threshold used to determine a key employee in a top-heavy plan	\$1 for more-than-5% owners, \$185,000 for officers, \$150,000 for more-than-1% owners	\$1 for more-than-5% owners, \$185,000 for officers, \$150,000 for more-than-1% owners



Compensation threshold used to determine a qualifying employee under a SIMPLE plan	\$5,000	\$5,000
Compensation threshold used to determine a qualifying employee under a SEP plan	\$600	\$650

<b>Traditional deductible IRA income limits — Income phase-out range for determining deductibility of traditional IRA contributions for taxpayers covered by an employer-sponsored plan and filing as:</b>	<b>2020</b>	<b>2021</b>
Single	\$65,000 - \$75,000	\$66,000 - \$76,000
Married filing jointly	\$104,000 - \$124,000	\$105,000 - \$125,000
Married filing separately	\$0 - \$10,000	\$0 - \$10,000

<b>Traditional deductible IRA income limits — Income phase-out range for determining deductibility of traditional IRA contributions for taxpayers not covered by an employer-sponsored retirement plan but filing a:</b>	<b>2020</b>	<b>2021</b>
Joint return with a spouse who is covered by an employer-sponsored retirement plan	\$196,000 - \$206,000	\$198,000 - \$208,000

<b>Roth IRA compensation limits — Income phase-out range for determining ability to fund Roth IRA for taxpayers filing as:</b>	<b>2020</b>	<b>2021</b>
Single	\$124,000 - \$139,000	\$125,000 - \$140,000
Married filing jointly	\$196,000 - \$206,000	\$198,000 - \$208,000
Married filing separately	\$0 - \$10,000	\$0 - \$10,000





## Investment Planning

### Maximum tax on long-term capital gains and qualified dividends

0% rate applies (taxable income thresholds)	2020	2021
Single	Up to \$40,000	Up to \$40,400
Married filing jointly	Up to \$80,000	Up to \$80,800
Married filing separately	Up to \$40,000	Up to \$40,400
Head of household	Up to \$53,600	Up to \$54,100

15% rate applies (taxable income thresholds)	2020	2021
Single	\$40,000 to \$441,450	\$40,400 to \$445,850
Married filing jointly	\$80,000 to \$496,600	\$80,800 to \$501,600
Married filing separately	\$40,000 to \$248,300	\$40,400 to \$250,800
Head of household	\$53,600 to \$469,050	\$54,100 to \$473,750

20% rate applies (taxable income thresholds)	2020	2021
Single	Over \$441,450	Over \$445,850
Married filing jointly	Over \$496,600	Over \$501,600
Married filing separately	Over \$248,300	Over \$250,800
Head of household	Over \$469,050	Over \$473,750

### Unearned income Medicare contribution tax ("net investment income tax")

Amount of tax	2020	2021
Tax percentage	3.80%	3.80%

Applies to lesser of (a) net investment income or (b) modified adjusted gross income exceeding:	2020	2021
Individuals	\$200,000	\$200,000
Married filing jointly	\$250,000	\$250,000
Married filing separately	\$125,000	\$125,000

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