



Retirement Planning

Employee contribution limits to employer plans*	
401(k) plans, 403(b) plans, 457(b) plans, and SAR-SEPs (includes Roth contributions)	\$19,500
Annual catch-up contribution (age 50+)	\$6,500
SIMPLE 401(k) and SIMPLE IRA plans	\$13,500
Annual catch-up contribution (age 50+)	\$3,000
IRA contribution limits**	
Traditional and Roth IRAs (combined)	\$6,000
Annual catch-up contribution (age 50+)	\$1,000

* Lesser of these limits or 100% of participant's compensation.
 ** Lesser of these limits or 100% of earned income.

MAGI phaseout limits for deductible contributions to a traditional IRA (affects taxpayers covered by an employer-sponsored retirement plan)	
Single or head of household	\$65,000 to \$75,000
Married filing jointly when the spouse who makes the contribution is covered by a workplace plan	\$104,000 to \$124,000
Married filing jointly when the spouse who makes the contribution is not covered by a workplace plan but the other spouse is covered	\$196,000 to \$206,000
Married filing separately	Up to \$10,000

MAGI phaseout limits to contribute to a Roth IRA	
Single or head of household	\$124,000 to \$139,000
Married filing jointly	\$196,000 to \$206,000
Married filing separately	Up to \$10,000



Health Care

Flexible spending account (FSA) for health care	
Maximum salary reduction contribution	\$2,750
Health savings account (HSA)	
Annual contribution limit — individual coverage	\$3,550
Annual contribution limit — family coverage	\$7,100
Annual catch-up contribution (age 55+)	\$1,000
High-deductible health plan (HDHP)	
Minimum deductible — individual coverage	\$1,400
Minimum deductible — family coverage	\$2,800
Maximum out-of-pocket amount — individual	\$6,900
Maximum out-of-pocket amount — family	\$13,800



Social Security/Medicare

Tax rate on earnings	
FICA tax – Employee	
Social Security (OASDI) portion	6.20%
Medicare (HI) portion	1.45%*
FICA tax – Employer (OASDI & HI)	
7.65%	
FICA tax – Self-employed	
Social Security (OASDI) portion	12.4%
Medicare (HI) portion	2.9%*
Additional employee Medicare payroll tax/self-employment tax on earnings in excess of specific limits*	
0.9%*	
Maximum taxable earnings	
Social Security (OASDI only)	\$137,700
Medicare (HI only)	No limit

*Additional Medicare tax is assessed on earnings in excess of \$200,000 (single filer), \$250,000 (married filing jointly), or \$125,000 (married filing separately).



Key Numbers

2020

Here is a quick reference guide to inflation-adjusted tax numbers for 2020.

review

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Income Tax (2020 tax rate tables)

Single			
Taxable income	Tax due	plus	% of income*
Up to \$9,875	\$0	+	10%
\$9,875 to \$40,125	\$987.50	+	12%
\$40,125 to \$85,525	\$4,617.50	+	22%
\$85,525 to \$163,300	\$14,605.50	+	24%
\$163,300 to \$207,350	\$33,271.50	+	32%
\$207,350 to \$518,400	\$47,367.50	+	35%
Over \$518,400	\$156,235.00	+	37%

Married filing jointly			
Taxable income	Tax due	plus	% of income*
Up to \$19,750	\$0	+	10%
\$19,750 to \$80,250	\$1,975.00	+	12%
\$80,250 to \$171,050	\$9,235.00	+	22%
\$171,050 to \$326,600	\$29,211.00	+	24%
\$326,600 to \$414,700	\$66,543.00	+	32%
\$414,700 to \$622,050	\$94,735.00	+	35%
Over \$622,050	\$167,307.50	+	37%

Married filing separately			
Taxable income	Tax due	plus	% of income*
Up to \$9,875	\$0	+	10%
\$9,875 to \$40,125	\$987.50	+	12%
\$40,125 to \$85,525	\$4,617.50	+	22%
\$85,525 to \$163,300	\$14,605.50	+	24%
\$163,300 to \$207,350	\$33,271.50	+	32%
\$207,350 to \$311,025	\$47,367.50	+	35%
Over \$311,025	\$83,653.75	+	37%

Head of household			
Taxable income	Tax due	plus	% of income*
Up to \$14,100	\$0	+	10%
\$14,100 to \$53,700	\$1,410.00	+	12%
\$53,700 to \$85,500	\$6,162.00	+	22%
\$85,500 to \$163,300	\$13,158.00	+	24%
\$163,300 to \$207,350	\$31,830.00	+	32%
\$207,350 to \$518,400	\$45,926.00	+	35%
Over \$518,400	\$154,793.50	+	37%

*The percentage applies to each dollar of taxable income within the range until the next income threshold is reached.



Standard Deduction

Single	\$12,400
Married filing jointly	\$24,800
Married filing separately	\$12,400
Head of household	\$18,650
Dependent*	\$1,100*

Additional deduction for blind or aged (over age 65)	
Single or head of household	\$1,650
Married filing jointly or separately	\$1,300

* Dependent standard deduction is the greater of \$1,100 or \$350 plus earned income.



Education Credits and Deductions

	Modified adjusted gross income (MAGI) phaseout ranges	
	Single or head of household	Married filing jointly
Lifetime Learning credit (\$2,000 max)	\$59,000 to \$69,000	\$118,000 to \$138,000
American Opportunity Tax Credit (\$2,500 max)	\$80,000 to \$90,000	\$160,000 to \$180,000
Education loan interest deduction (\$2,500 max)	\$70,000 to \$85,000	\$140,000 to \$170,000
U.S. Savings bond interest exclusion for higher-education expenses	\$82,350 to \$97,350	\$123,550 to \$153,550



Investment Taxes

Single filer	Married filing jointly	Married filing separately	Head of household	Tax rate
Long-term capital gain & qualified dividend tax (taxable income thresholds)				
Up to \$40,000	Up to \$80,000	Up to \$40,000	Up to \$53,600	0%
\$40,001 up to \$441,450	\$80,001 up to \$496,600	\$40,001 up to \$248,300	\$53,601 up to \$469,050	15%
More than \$441,450	More than \$496,600	More than \$248,300	More than \$469,050	20%
Net investment income tax (MAGI thresholds)				
Over \$200,000	Over \$250,000	Over \$125,000	Over \$200,000	3.8%*

*The 3.8% net investment income tax (also referred to as the unearned income Medicare contribution tax) applies to the lesser of (a) net investment income or (b) modified adjusted gross income (MAGI) exceeding the above thresholds. It does not apply to municipal bond interest or qualified retirement plan/IRA withdrawals.



Alternative Minimum Tax (AMT)

	Maximum exemption amount	Exemption phaseout threshold
Single or head of household	\$72,900	\$518,400
Married filing jointly	\$113,400	\$1,036,800
Married filing separately	\$56,700	\$518,400

26% rate applies to AMT income up to \$197,900*
28% rate applies to AMT income over \$197,900*

*\$98,950 if married filing separately.



Estate Planning

Annual gift tax exclusion	\$15,000
Noncitizen spouse annual gift tax exclusion	\$157,000
Top gift, estate, and generation-skipping transfer (GST) tax rate	40%
Gift tax and estate tax applicable exclusion amount	\$11,580,000 + DSUEA*
Generation-skipping transfer (GST) tax exemption	\$11,580,000**

* Basic exclusion amount plus deceased spousal unused exclusion amount (exclusion is portable).

**The GST tax exemption is not portable.



Standard Mileage Rates

Business purposes	57.5¢ per mile
Medical purposes	17¢ per mile
Moving purposes	17¢ per mile
Charitable purposes	14¢ per mile