

# 2020 Tax Facts

## ORDINARY TAX RATES AND BRACKETS

	Taxable Income	Pay	% on excess	Of the amount over:
<b>Single</b>	\$0 - \$9,875	\$0	10%	\$0
	9,875 - 40,125	987.50	12	9,875
	40,125 - 85,525	4,617.50	22	40,125
	85,525 - 163,300	14,605.50	24	85,525
	163,300 - 207,350	33,271.50	32	163,300
	207,350 - 518,400	47,367.50	35	207,350
	518,400+	156,235	37	518,400
<b>Married Filing Jointly</b>	\$0 - \$19,750	\$0	10%	\$0
	19,750 - 80,250	1,975	12	19,750
	80,250 - 171,050	9,235	22	80,250
	171,050 - 326,600	29,211	24	171,050
	326,600 - 414,700	66,543	32	326,600
	414,700 - 622,050	94,735	35	414,700
	622,050+	167,307.50	37	622,050
<b>Married Filing Separately</b>	\$0 - \$9,875	\$0	10%	\$0
	9,875 - 40,125	987.50	12	9,875
	40,125 - 85,525	4,617.50	22	40,125
	85,525 - 163,300	14,605.50	24	85,525
	163,300 - 207,350	33,271.50	32	163,300
	207,350 - 311,026	47,367.50	35	207,350
	311,026+	83,653.75	37	311,026
<b>Head of Household</b>	\$0 - \$14,100	\$0	10%	\$0
	14,100 - 53,700	1,410	12	14,100
	53,700 - 85,500	6,162	22	53,700
	85,500 - 163,300	13,158	24	85,500
	163,300 - 207,350	31,830	32	163,300
	207,350 - 518,400	45,926	35	207,350
	518,400+	154,793.50	37	518,400
<b>Estates and Non-Grantor Trusts</b>	\$0 - \$2,600	\$0	10%	\$0
	2,600 - 9,450	260	24	2,600
	9,450 - 12,950	1,904	35	9,450
	12,950+	3,129	37	12,950

- The tax rate on long-term capital gains and qualified dividends for individuals, estates and grantor trusts is also based on a bracketed system:

Long-Term Capital Gain Tax Rate	Single	Married Filing Joint	Married Filing Separately	Head of Household	Estates & Non-Grantor Trusts
0%	\$0 - 40,000	\$0 - 80,000	\$0 - 40,000	\$0 - 53,600	\$0 - 2,650
15%	\$40,000 - 441,450	\$80,000 - 496,600	\$40,000 - 248,300	\$53,600 - 469,050	\$2,650 - 13,150
20%	\$441,050+	\$496,600+	\$248,300+	\$469,050+	\$13,150+

- In addition, married taxpayers with Modified AGI over \$250,000 (\$200,000 if Single; \$125,000 if Married Filing Separately) and estates/non-grantor trusts in the top tax bracket are subject to an additional 3.8% tax on Net Investment Income.

**STANDARD DEDUCTION / PERSONAL EXEMPTIONS**

		2020	2019	2018
<b>Single</b>		\$12,400	\$12,200	\$12,000
<b>Married, filing jointly</b>		\$24,800	\$24,400	\$24,000
<b>Married, filing separately</b>		\$12,400	\$12,200	\$12,000
<b>Head of Household</b>		\$18,650	\$18,350	\$18,000
<b>Additional deduction for aged or blind – married</b>		\$1,300	\$1,300	\$1,300
<b>Additional deduction for aged or blind – single</b>		\$1,650	\$1,650	\$1,600
<b>Personal Exemption</b>		\$0	\$0	\$0
<b>AGI where itemized deduction/personal exemption phase-outs begin</b>	<b>Single</b>	N/A	N/A	N/A
	<b>Married Filing Joint</b>	N/A	N/A	N/A
	<b>Married Filing Separate</b>	N/A	N/A	N/A
	<b>Head of Household</b>	N/A	N/A	N/A

- Personal exemptions and the phaseout of itemized deductions are both repealed as of 2018, but are scheduled to be reinstated after 2025.

**KIDDIE TAX**

	2020	2019	2018
<b>Standard Deduction for dependent with no earned income</b>	\$1,100	\$1,100	\$1,050
<b>Maximum net unearned income taxed at child's rate (using the tax rates &amp; brackets for a single filer)</b>	\$1,100	\$1,100	\$1,050
<b>Floor beyond which additional unearned income is taxed at the parent's tax rate</b>	\$2,200	N/A	N/A
<b>Floor beyond which additional unearned income is taxed at the trust tax rates</b>	N/A	\$2,200	\$2,100

- The standard deduction for a dependent is the greater of (i) \$1,100 or (ii) the sum of \$350 and the individual's earned income.

**ALTERNATIVE MINIMUM TAX**

	2020 Taxable Income	Pay	Plus % on excess	Of the amount over:
<b>Single, Head of Household, Married Filing Joint, Trusts</b>	\$0 - \$197,900		26%	\$0
	\$197,900 and above	\$51,454	28%	\$197,900
<b>Married Filing Separate</b>	\$0 - \$98,950		26%	\$0
	\$98,950 and above	\$25,727	28%	\$98,950

- For AMT purposes, long-term capital gains and qualified dividends are taxed at either 15% or 20%, using the same income thresholds as for regular tax.

AMT Personal Exemption	2020	2019	2018
<b>Single</b>	\$72,900	\$71,700	\$70,300
<b>Married Filing Joint</b>	\$113,400	\$111,700	\$109,400
<b>Married Filing Separate</b>	\$56,700	\$55,850	\$54,700
<b>Head of Household</b>	\$72,900	\$71,700	\$70,300

- For 2020, the AMT Exemption begins to phase for married couples with Alternative Minimum Taxable Income above \$1,036,800 and above \$518,400 for all other taxpayers. The amount of exemption lost equals 25% of AMTI over the applicable threshold.

## RETIREMENT PLAN CONTRIBUTION LIMITS

Traditional & Roth IRAs	2020	2019	2018
IRA and Roth IRA regular contributions	\$6,000	\$6,000	\$5,500
IRA and Roth IRA catch-up contributions	\$1,000	\$1,000	\$1,000
AGI phaseout range for IRA deduction - single	\$65,000- \$75,000	\$64,000- \$74,000	\$63,000- \$73,000
AGI phaseout range for IRA deduction - married	\$104,000- \$124,000	\$103,000- \$123,000	\$101,000- \$121,000
Roth IRA contribution AGI range – single	\$124,000- \$139,000	\$122,000- \$137,000	\$120,000 - \$135,000
Roth IRA contribution AGI range – married	\$196,000- \$206,000	\$193,000- \$203,000	\$189,000 - 199,000

- Catch-up contributions to IRAs and Roth IRAs are available to taxpayers age 50 and older by 12/31/20.
- For those not covered by an employer retirement plan but whose spouse is covered, the IRA deduction is phased out for MAGI between \$196,000 and \$206,000 for 2020 (\$193,000 and \$203,000 for 2019).

Employer Plans	2020	2019	2018
401(k), 403(b) regular contributions	\$19,500	\$19,000	\$18,500
401(k), 403(b) catch-up contributions	\$6,500	\$6,000	\$6,000
Profit Sharing or MPP	\$57,000	\$56,000	\$55,000
Individual 401(k) (Salary Deferral + Profit Sharing)	\$57,000	\$56,000	\$55,000
Individual 401(k) (Salary Deferral + Profit Sharing) Including Age 50+ Catch-up	\$63,500	\$62,000	\$61,000
SIMPLE IRA regular contributions	\$13,500	\$13,000	\$12,500
SIMPLE IRA catch-up contributions	\$3,000	\$3,000	\$3,000
SEP plan contributions	\$57,000	\$56,000	\$55,000
Total Defined Contribution plan contributions	\$57,000	\$56,000	\$55,000
Maximum compensation for plan benefit	\$285,000	\$280,000	\$275,000

## SOCIAL SECURITY TAXES AND BENEFITS

	2020	2019	2018
Maximum wages subject to FICA tax	\$137,700	\$132,900	\$128,400
Maximum earned income before reduction in SS benefits (up to full retirement age)	\$18,240	\$17,640	\$17,040
Maximum SS benefit, retiring at full retirement age	\$3,011/mo	\$2,861/mo	\$2,788/mo

- Earned income above threshold, for taxpayers younger than full retirement age, results in reduced Social Security benefits. Benefit amount is reduced by \$1 for every \$2 over the threshold.

Taxability of Benefits	Single, Head of Household, Married Filing Separate	Married Filing Joint	Taxable Portion of Benefits
Income Level	\$0 - \$25,000	\$0 - \$32,000	0%
	\$25,000 - \$34,000	\$32,000 - \$44,000	Up to 50%
	Over \$34,000	Over \$44,000	Up to 85%

- Income for purposes of this test includes:
  1. All income included on lines 1, 2b, 3b, 4b and Schedule 1 of the 2018 Form 1040
  2. Any tax-exempt interest included on line 2a of Form 1040
  3. Half the gross Social Security benefit itself

**HEALTH SAVINGS ACCOUNTS**

	2020	2019	2018
<b>Contribution Limit – Single Coverage</b>	\$3,550	\$3,500	\$3,450
<b>Contribution Limit – Family Coverage</b>	\$7,100	\$7,000	\$6,900
<b>Catch-up Contribution</b>	\$1,000	\$1,000	\$1,000
<b>Minimum Deductible – Single</b>	\$1,400	\$1,350	\$1,350
<b>Minimum Deductible – Family</b>	\$2,800	\$2,700	\$2,700

- Catch-up contributions to HSAs are available to account holders age 55 and older by 12/31/20.
- The Minimum Deductible shown above is the minimum amount allowed for the plan to be considered a High Deductible Plan
- Out of pocket expenses under the plan can't exceed \$6,900 for singles, \$13,800 for a family.

**ESTATE PLANNING**

Decedents Dying In:	Lifetime Exemption Amount	Tax Rate
2009	\$3,500,000	45%
2010	\$5 million, but estates may elect no estate tax, with capital gain tax on appreciation above \$1.3 million	35%
2011	\$5,000,000	35%
2012	\$5,120,000	35%
2013	\$5,250,000	40%
2014	\$5,340,000	40%
2015	\$5,430,000	40%
2016	\$5,450,000	40%
2017	\$5,490,000	40%
2018	\$11,180,000	40%
2019	\$11,400,000	40%
2020	\$11,580,000	40%

- Individuals may use the full \$11,580,000 million exemption to make lifetime gifts without incurring gift tax (married couples up to \$23,160,000). The 40% gift tax rate will apply to gifts above the exemption amount.

	2020	2019	2018
<b>Annual Gift Tax exclusion</b>	\$15,000	\$15,000	\$15,000

- The annual exclusion is indexed for inflation, but increases are only made in \$1,000 increments and adjustments typically occur every few years.