

Key Numbers for 2021

Presented by Mike Ovshak

Individual Income Tax	
Unmarried Individual (Other than Surviving Spouse and Head of Household)	
If taxable income is:	The tax rate of taxable income is:
\$9,950 and under	10% of the taxable income
Over \$9,950 but not over \$40,525	\$995 plus 12% of the excess over \$9,950
Over \$40,525 but not over \$86,375	\$4,664 plus 22% of the excess over \$40,525
Over \$86,375 but not over \$164,925	\$14,751 plus 24% of the excess over \$86,375
Over \$164,925 but not over \$209,425	\$33,603 plus 32% of the excess over \$164,925
Over \$209,425 but not over \$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 Individual Filing Jointly and Surviving Spouse	
\$19,900 and under	10% of the taxable income
Over \$19,900 but not over \$81,050	\$1,990 plus 12% of the excess over \$19,900
Over \$81,050 but not over \$172,750	\$9,328 plus 22% of the excess over \$81,050
Over \$172,750 but not over \$329,850	\$29,502 plus 24% of the excess over \$172,750
Over \$329,850 but not over \$418,850	\$67,206 plus 32% of the excess over \$329,850
Over \$418,850 but not over \$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 Individual Filing Separately	
If taxable income is:	The tax rate of taxable income is:
\$9,950 and under	10% of the taxable income
Over \$9,950 but not over \$40,525	\$995 plus 12% of the excess over \$9,950
Over \$40,525 but not over \$86,375	\$4,664 plus 22% of the excess over \$40,525
Over \$86,375 but not over \$164,925	\$14,751 plus 24% of the excess over \$86,375
Over \$164,925 but not over \$209,425	\$33,603 plus 32% of the excess over \$164,925
Over \$209,425 but not over \$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
Head of Household	
If taxable income is:	The tax rate of taxable income is:
\$14,200 and under	10% of the taxable income
Over \$14,200 but not over \$54,200	\$1,420 plus 12% of the excess over \$14,200
Over \$54,200 but not over \$86,350	\$6,220 plus 22% of the excess over \$54,200
Over \$86,350 but not over \$164,900	\$13,293 plus 24% of the excess over \$86,350
Over \$164,900 but not over \$209,400	\$32,145 plus 32% of the excess over \$164,900
Over \$209,400 but not over \$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:	The tax is:
\$2,650 and under	10% of the taxable income
Over \$2,650 but not over \$9,550	\$265 plus 24% of the excess over \$2,650
Over \$9,550 but not over \$13,050	\$1,921 plus 35% of the excess over \$9,550
Over \$13,050	\$3,146 plus 37% of the excess over \$13,050

Qualified Business Income

For taxable years beginning in 2021, the threshold amount under Section 199A(e)(2) is \$329,800 for married individuals filing jointly, \$164,925 for married individuals filing separately, and \$164,900 for unmarried individuals and heads of households.

[The Tax Cuts and Jobs Act](#) (TCJA) reduced the U.S. federal corporate income tax rate from 35 percent to 21 percent.

Standard Deductions			
Married Filing Jointly and Surviving Spouse	\$25,100	Married Filing Separately	\$12,550
Single	\$12,550	Head of Household	\$18,800

Kiddie Tax
Applies to unearned income more than \$2,200 for children younger than 18 (and full-time students between ages 19 and 24 whose earned income does not exceed half of their support for the year).
The TCJA modified the tax rates and brackets to calculate the tax on unearned income. The SECURE Act of 2019, however, rolled back the kiddie tax to pre-2018 rules. Therefore, net unearned income over the threshold amount of \$2,200 for 2020 is taxed using the parents' tax rates.

AMT		
	Exemption	Phaseout
Married Individual Filing Jointly and Surviving Spouse	\$114,600	\$1,047,200
Single	\$73,600	\$523,600
Married Individual Filing Separately	\$57,300	\$523,600
Trusts and Estates	\$25,700	\$85,650

Long-Term Capital Gains and Qualified Dividend Tax			
Capital Gains Tax Rate		Unmarried	Married Filing Jointly
20%*		\$445,831+	\$501,601+
15%*		\$40,401–\$445,830	\$80,801–\$501,600
0%		\$0–\$40,400	\$0–\$80,800
*Additional 3.8% unearned income Medicare contribution tax applies to the lesser of net investment income or modified adjusted gross income (MAGI) above the following thresholds:			
Married Filing Jointly	\$250,000	Married Filing Separately	\$125,000
Single	\$200,000	Head of Household	\$200,000

Health Savings Account (HSA) Maximum Contribution Limits	
Self-Only Coverage	If younger than 55: \$3,600 If age 55–65: \$4,600
Family Coverage	If younger than 55: \$7,200 If age 55–65: \$8,200

Retirement Plan Limits	
401(k), SARSEP, Section 457(b), 403(b) Elective Deferral Limit	\$19,500
Age 50+ Catch-Up for 401(k), SARSEP, 457(b), 403(b)	\$6,500
SIMPLE Elective Deferral Limit	\$13,500
Age 50+ Catch-Up for SIMPLE IRA	\$3,000
Traditional and Roth IRA Contributions	\$6,000
Age 50+ Catch-Up for IRA and Roth IRA	\$1,000
Section 415 Limit (Defined Contribution Plan)	\$58,000
Defined Benefit Plan Benefit Limit	\$230,000
Annual Compensation Limit for QRP, SEP, and 403(b)	\$290,000
Highly Compensated Definition	\$130,000
Control Employee	\$115,000
Key Employee in Top-Heavy Plan Definition	\$185,000

IRA Deduction Phaseout for Active Participants		
Filing Status	Starting at:	Fully Phased Out at:
Single or Head of Household	\$66,000	\$76,000
Married Filing Jointly or Qualifying Widow(er)	\$105,000	\$125,000
Married Filing Jointly and Spouse Is Active Participant in an Employer Plan	\$198,000	\$208,000
Married Filing Separately and Either Spouse Is Active Participant in an Employer Plan	\$0	\$10,000

Roth Contribution Income Limits		
Filing Status	Starting at:	Fully Phased Out at:
Single	\$125,000	\$140,000
Married Filing Jointly	\$198,000	208,000
Married Filing Separately	\$0	\$10,000

Business Health Insurance	
Health Insurance Premium Deduction for Self-Employed	100%
Limit on Employee Health Insurance Credit for Small Employers	\$27,800

Education Planning	
U.S. Savings Bond Income Exclusion Phaseout	Modified AGI \$124,800 to \$154,800 (joint) Modified AGI \$83,200 to \$98,200 (others)
Coverdell Education Savings Account (Education IRAs) Annual Contribution Limit	\$2,000
Coverdell Education Savings Account Phaseout	Modified AGI \$190,000 to \$220,000 (joint) Modified AGI \$95,000 to \$110,000 (others)
\$2,500 American Opportunity Tax (HOPE) Credit Phaseout	Modified AGI \$160,000 to \$180,000 (joint) Modified AGI \$80,000 to \$90,000 (others)
\$2,000 Lifetime Learning Credit Phaseout	Modified AGI in excess of \$119,000 (joint) Modified AGI in excess of \$59,000 (others)
Phaseout of \$2,500 Interest Deduction on Education Loans	Modified AGI \$140,000 to \$170,000 (joint) Modified AGI \$70,000 to \$85,000 (others)
2020-2021 Tuition and Fees Increase at a 4-Year College	Public college: 1.1% in-state student; 0.9% out-of-state student Private college: 2.1%
2020-2021 Total Average Yearly Cost at a 4-Year College	\$26,820 public in-state; \$43,280 public out-of-state; \$54,880 private

Federal Estate and Gift Tax	
Annual Gift Tax Exclusion per Donee	\$15,000
Annual Gift Exclusion to Non-U.S.-Citizen Spouse	\$159,000
Estate Tax Exemption	\$11,700,000
Lifetime Gift Tax Exemption	\$11,700,000
Generation-Skipping Transfer Tax Exemption	\$11,700,000
Special Use (Section 2032A) Valuation Reduction	\$1,190,000

Long-Term Care Premium Deductions	
Qualified LTC Insurance Deductions: Subject to 10% of AGI Medical Expense Floor	
Age	Limit
40 and younger	\$450
41–50	\$850
51–60	\$1,690
61–70	\$4,520
71 and older	\$5,640

Please note: Indemnity policy benefit payments that exceed the higher of the cost of long-term care or \$400 per day will be taxed as income.

Medicaid	
Community Spouse Resource Allowance	\$25,728 minimum; \$128,640 maximum
Monthly Maintenance Allowance	\$2,113.75 minimum; \$3,216 maximum
Home Equity Limit	\$595,000 (state can opt to increase to \$893,000)
“Income Cap” State Income Limit	\$2,349

Please note: These are 2020 limits. We’re awaiting the release of 2021 numbers from the government.

Social Security	
CPI Increase in Benefits	1.3%
Maximum Monthly Benefit at Full Retirement	\$3,148 month
Retirement Earnings Exempt Amount Under FRA	\$18,960; \$1 withheld for every \$2 earned more than this amount
Retirement Earnings Exempt Amount Year of FRA	\$50,520; \$1 withheld for every \$3 earned more than this amount

Medicare	
Medicare Part A (if applicable) Monthly Premium	\$471 for fewer than 30 quarters of coverage \$259 for between 30 and 39 quarters of coverage
Medicare Part A Deductible and Coinsurance	\$1,484 for 1–60 days An additional \$371 for 61–90 days \$742 for 91–150 days All costs > 150 days
Medicare Part A Deductible for Skilled Nursing Facility in a Benefit Period	\$185.50 per day during 21–100 days
Medicare Part B Deductible	\$203 per year

Medicare Premium			
		Individual Filer	Married Filing Jointly
Medicare Part B Monthly Premium Some Medicare beneficiaries may pay less if certain conditions are met.	\$148.50	\$0–\$88,000	\$0–\$176,000
	\$207.90	\$88,001–\$111,000	\$176,001–\$222,000
	\$297.00	\$111,001–\$138,000	\$222,001–\$276,000
	\$386.10	\$138,001–\$165,000	\$276,001–\$330,000
	\$475.20	\$165,001–\$499,999	\$330,001–\$749,999
	\$504.90	\$500,000 and greater	\$750,000 and greater
Medicare Part D Deductible	The amount paid for Part D deductibles, copayments, and/or coinsurance varies by plan.		
Medicare Part D Monthly Premium Surcharge	(no surcharge)	\$0–\$88,000	\$0–\$176,000
	\$12.30 + plan premium	\$88,001–\$111,000	\$176,001–\$222,000
	\$31.80 + plan premium	\$111,001–\$138,000	\$222,001–\$276,000
	\$51.20 + plan premium	\$138,001–\$165,000	\$276,001–\$330,000
	\$70.70 + plan premium	\$165,001–\$499,999	\$330,001–\$749,999
	\$77.10 + plan premium	\$500,000 and greater	\$750,000 and greater

Please note: Medicare premiums are based on MAGI from two years prior to the current premium year. These are 2021 Medicare premium costs and thresholds and are based upon 2019 MAGI.

Payroll Taxes		
	Employee	Self-Employed
Social Security Tax	6.2%	12.4%
Social Security Wage Base	\$142,800	
Medicare Tax	1.45%	2.9%
Additional Medicare Tax	0.9% on Earnings Higher than the Following Thresholds:	
Single or Head of Household	\$200,000	
Married Filing Jointly	\$250,000	
Married Filing Separately	\$125,000	

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