

TAX REFERENCE GUIDE



2020

2020 ESTATE & GIFT TAX RATES

The top tax rate applicable to estates and living gifts will be subject to a maximum tax rate of 40%

Subtract applicable credit below from calculated tax

Estate Tax	Exclusion Amount	Applicable Credit	Gift Tax Exclusion
2020	\$11,580,000	\$4,577,800	\$11,580,000

Other estate & gift planning items

	2020
Annual Gift Tax Exclusion	\$15,000
Annual Gift Tax Exclusion For Non-U.S. Citizen Spouses	\$157,000
Generation-Skipping Tax (GST) Exemption	\$11,580,000
IRC §6166 2% Limit for Deferred Estate Tax Payments	\$1,570,000
IRC §2032A Limit for Special Use Valuation	\$1,180,000

TRADITIONAL & ROTH IRAS

Contribution limits

	2020
Regular	\$6,000
Catch-Up*	\$1,000

*Only taxpayers age 50 and over are eligible to make catch-up contributions.

Roth contribution phase-out

MAGI phase-out range for contributions to Roth IRAs in 2020

Married filing jointly: \$196,000–\$206,000	Married filing separately: \$0–\$10,000	Single: \$124,000–\$139,000
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No annual income limit for determining ability to convert traditional IRA to Roth IRA continues for 2020.

Traditional IRA deductibility rules

Filing Status	Covered by Employer's Retirement Plan?	Modified AGI 2020	Deductibility
Single	No	Any amount	Full deduction
	Yes	\$65,000 or less	Full deduction
		\$65,001–\$74,999	Partial deduction
	\$75,000 or more	No deduction	
Married filing jointly	Neither Spouse Covered	Any amount	Full deduction
	Both Spouses Covered	\$104,000 or less	Full deduction
		\$104,001–\$123,999	Partial deduction
		\$124,000 or more	No deduction
	One Spouse Covered For Covered Spouse	\$104,000 or less	Full deduction
		\$104,001–\$123,999	Partial deduction
		\$124,000 or more	No deduction
	One Spouse Covered For Non-Covered Spouse	\$196,000 or less	Full deduction
		\$196,001–\$205,999	Partial deduction
\$206,000 or more		No deduction	

RETIREMENT PLANS

	2020
Elective Deferral Limit to Retirement Plans (e.g. 401(k), 403(b), 457, and SARSEPS)	\$19,500
Elective Deferral Limit to SIMPLE Plans	\$13,500
Annual Additions Limit to SEP Plans	\$57,000
SEP Participation Limit	\$600
Defined Contribution Limit	\$57,000
Maximum Includible Compensation	\$285,500
Defined Benefit Limit	\$230,000
Highly Compensated Employee Threshold	\$130,000
Key Employee/Officer Threshold	\$185,000
Maximum Qualified Longevity Annuity Contract (QLAC): Lessor of \$135,000 or 25% of your aggregate IRA account values.	

Catch-up contribution limits for other qualified plan types

	2020
401(k), 403(b), 457, and SARSEPS	\$6,500
SIMPLE Plans	\$3,000

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SOCIAL SECURITY TAX RULES

Social Security Benefit Reduction before Full Retirement Age (FRA).

\$1 of every \$2 over \$18,240/yr before year of FRA

\$1 of every \$3 over \$48,600/yr during the year FRA is reached

PERCENTAGE OF SOCIAL SECURITY BENEFITS INCLUDED IN TAXES

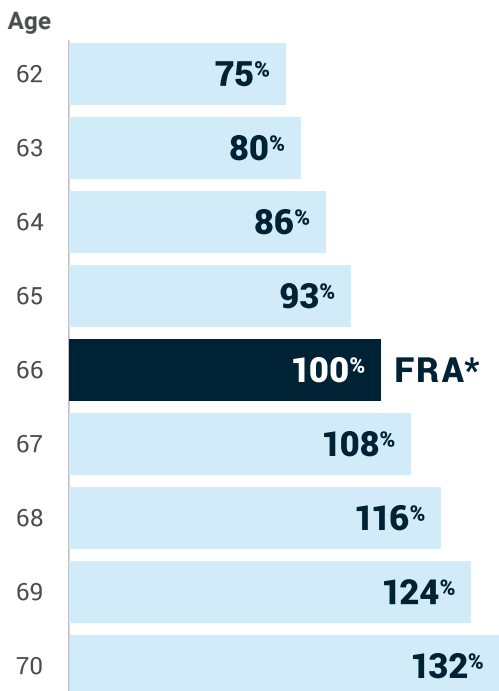
	Single	Married Filing Jointly
0%	<\$25,000	<\$32,000
50%	\$25,000–34,000	\$32,000–44,000
85%	>\$34,000	>\$44,000

Combined Income above is:
Annual Gross Income + 50% Social Security benefits

Taxable Wage Base for Social Security: \$137,700



PERCENTAGE OF SOCIAL SECURITY FULL RETIREMENT BENEFIT IF COLLECTED AT:



* Full Retirement Age (FRA) for individuals born between 1943–1954

INCOME TAX COMPARISON 2020

If taxable income is

Over	But Not Over	The Tax Is	Of the Amount Over
Married Filing Jointly and Surviving Spouses			
\$0	\$19,750	\$0 + 10%	\$0
\$19,751	\$80,250	\$1,975 + 12%	\$19,750
\$80,251	\$171,050	\$9,235 + 22%	\$80,250
\$171,051	\$326,600	\$29,211 + 24%	\$171,050
\$326,601	\$414,700	\$66,543 + 32%	\$326,600
\$414,701	\$622,050	\$94,735 + 35%	\$414,700
\$622,051	–	\$167,307.50 + 37%	\$622,050
Single			
\$0	\$9,875	\$0 + 10%	\$0
\$9,876	\$40,125	\$987.50 + 12%	\$9,875
\$40,126	\$85,525	\$4,617.50 + 22%	\$40,125
\$85,526	\$163,300	\$14,605.50 + 24%	\$85,525
\$163,301	\$207,350	\$33,271.50 + 32%	\$163,300
\$207,351	\$518,400	\$47,367.50 + 35%	\$207,350
\$518,401	–	\$156,235 + 37%	\$518,400

Estates and Trusts: Tax rates graduated from 10% to 37%. Income over \$12,950

	Exemption	Phase-out Range
Standard Deductions	Annual	Add'l Age 65 or Older, or Blind
Married Filing Jointly	\$24,800	\$1,300
Head of Household	\$18,650	\$1,650
Single/Married Filing Separately	\$12,400	\$1,650
Child Tax Credit: \$2,000 per child phases out \$50 for each \$2,000 of modified AGI over \$400,000 (married filing jointly), or \$200,000 (single).		
Capital Gains and Qualifying Dividends Tax Rate (2020)		
Taxpayer Bracket	Short Term < 12 Mo	Long Term > 12 Mo
Single: Up to \$40,000 MFJ: Up to \$80,000	Ordinary rate	0%
Single: \$40,001–\$441,450 MFJ: \$80,001–\$496,600	Ordinary rate	15%
Single: \$441,451 and up MFJ: \$496,601 and up	Ordinary rate	20%
Tax on Net Investment Income: Additional 3.8% tax on lesser of net investment income or excess of modified adjusted gross income over \$200,000 single/ \$250,000 married filing jointly		