

# 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
<b>Maximum Qualified Longevity Annuity Contract (QLAC):</b> 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

<b>Social Security Benefit Reduction before Full Retirement Age (FRA).</b>
\$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

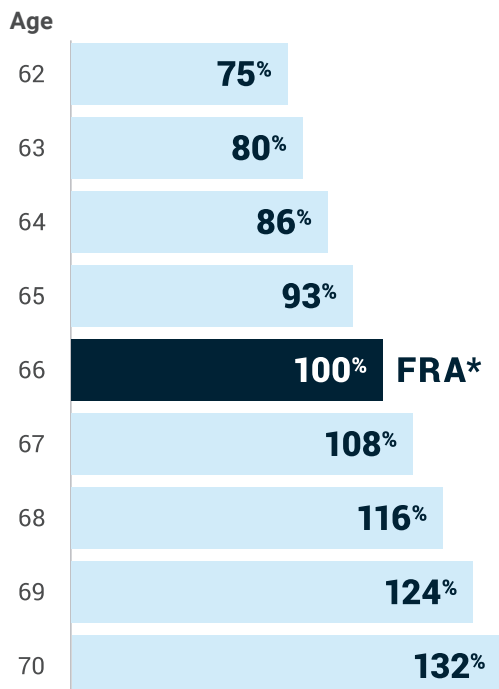
	Single	Married Filing Jointly
0%	<\$25,000	<\$32,000
50%	\$25,000–34,000	\$32,000–44,000
85%	>\$34,000	>\$44,000

**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
<b>Married Filing Jointly and Surviving Spouses</b>			
\$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
<b>Single</b>			
\$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
<b>Standard Deductions</b>	<b>Annual</b>	<b>Add'l Age 65 or Older, or Blind</b>
Married Filing Jointly	\$24,800	\$1,300
Head of Household	\$18,650	\$1,650
Single/Married Filing Separately	\$12,400	\$1,650
<b>Child Tax Credit:</b> \$2,000 per child phases out \$50 for each \$2,000 of modified AGI over \$400,000 (married filing jointly), or \$200,000 (single).		
<b>Capital Gains and Qualifying Dividends Tax Rate (2020)</b>		
<b>Taxpayer Bracket</b>	<b>Short Term &lt; 12 Mo</b>	<b>Long Term &gt; 12 Mo</b>
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%
<b>Tax on Net Investment Income:</b> 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		