

Wealth Management

FINANCIAL PLANNING LIMITS AND TAX RATE SCHEDULES

Addressing the complexities of financial planning can be difficult. To help, Janus Henderson has created a guide to assist with:

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2021 Tax Rate Schedules

If Taxable Income Is:		Then the Gross Tax Payable Is:		
Over	But Not Over	Amount	Plus (Percent)	Of the Amount Over
SINGLE TAXPAYERS (OTHER THAN SURVIVING SPOUSES AND HEADS OF HOUSEHOLDS)				
\$0	\$9,950	\$0	10%	\$0
\$9,950	\$40,525	\$995	12%	\$9,950
\$40,525	\$86,375	\$4,665	22%	\$40,525
\$86,375	\$164,925	\$14,751	24%	\$86,375
\$164,925	\$209,425	\$33,603	32%	\$164,925
\$209,425	\$523,600	\$47,843	35%	\$209,425
\$523,600		\$157,804.25	37%	\$523,600
MARRIED INDIVIDUALS (AND SURVIVING SPOUSES) FILING JOINT RETURN				
\$0	\$19,900	\$0	10%	\$0
\$19,900	\$81,050	\$1,990	12%	\$19,900
\$81,050	\$172,750	\$9,328	22%	\$81,050
\$172,750	\$329,850	\$29,502	24%	\$172,750
\$329,850	\$418,850	\$67,206	32%	\$329,850
\$418,850	\$628,300	\$95,686	35%	\$418,850
\$628,300		\$168,993.50	37%	\$628,300
HEADS OF HOUSEHOLDS				
\$0	\$14,200	\$0	10%	\$0
\$14,200	\$54,200	\$1,420	12%	\$14,200
\$54,200	\$86,350	\$6,220	22%	\$54,200
\$86,350	\$164,900	\$13,293	24%	\$86,350
\$164,900	\$209,400	\$32,145	32%	\$164,900
\$209,400	\$523,600	\$46,385	35%	\$209,400
\$523,600		\$156,355	37%	\$523,600
MARRIED INDIVIDUALS FILING SEPARATE RETURNS				
\$0	\$9,950	\$0	10%	\$0
\$9,950	\$40,525	\$995	12%	\$9,950
\$40,525	\$86,375	\$4,665	22%	\$40,525
\$86,375	\$164,925	\$14,751	24%	\$86,375
\$164,925	\$209,425	\$33,603	32%	\$164,925
\$209,425	\$314,150	\$47,843	35%	\$209,425
\$314,150		\$84,496.75	37%	\$314,150
FIDUCIARY (ESTATES AND TRUSTS) TAXPAYERS				
\$0	\$2,650	\$0	10%	\$0
\$2,650	\$9,550	\$265	24%	\$2,650
\$9,550	\$13,050	\$1,921	35%	\$9,550
\$13,050		\$3,146	37%	\$13,050

FINANCIAL PLANNING LIMITS AND TAX RATE SCHEDULES

Income Tax Exemptions & Deductions	2021	2020	2019
STANDARD DEDUCTIONS			
Single	\$12,550	\$12,400	\$12,200
Married filing jointly	\$25,100	\$24,800	\$24,400
Head of household	\$18,800	\$18,650	\$18,350
Married filing separately	\$12,550	\$12,400	\$12,200
ELDERLY AND BLIND DEDUCTIONS			
Single	\$1,700	\$1,650	\$1,650
Married	\$1,350	\$1,300	\$1,300
KIDDIE TAX			
Amount exempt from tax	First \$1,100	First \$1,100	First \$1,100
Amount taxed at child's rate	Next \$1,100	Next \$1,100	Next \$1,100
Unearned income over \$2,100	Taxed at the parent's marginal rate	Taxed at the parent's marginal rate	Taxed at applicable trust and estate rates
ADOPTION CREDIT			
Maximum credit	\$14,400	\$14,300	\$14,080
Phaseout amounts	\$216,660-\$256,660	\$214,520-\$254,520	\$211,160-\$251,160
AMT EXEMPTION			
Single	\$73,600	\$72,900	\$71,700
Married filing jointly	\$114,600	\$113,400	\$111,700
AMT EXEMPTION PHASEOUT			
Single	\$523,600-\$818,000	\$518,400-\$810,00	\$510,300-\$797,100
Married filing jointly	\$1,047,200-\$1,505,600	\$1,036,800-\$1,490,400	\$1,020,600-\$1,467,400
CHILD TAX CREDIT			
Maximum Total Credit	Children 6-17 years old: \$3,000 Children up to 5 years old: \$3,600	\$2,000	\$2,000
Refundable portion	Fully refundable	\$1,400	\$1,400
ORIGINAL \$2,000 CHILD TAX CREDIT PHASEOUT			
Single	\$200,000-\$240,000	\$200,000-\$240,000	\$200,000-\$240,000
Married	\$400,000-\$440,000	\$400,000-\$440,000	\$400,000-\$440,000
ADDITIONAL \$1,000/\$1,600 CHILD TAX CREDIT PHASEOUT			
Single	Begins at \$75,000	NA	NA
Married	Begins at \$150,000	NA	NA
CREDIT FOR OTHER DEPENDENTS	\$500	\$500	\$500

Social Security Planning	2021	2020	2019
WAGE BASE	\$142,800	\$137,700	\$132,900
FICA TAX – EMPLOYEE	7.65%	7.65%	7.65%
Social Security portion	6.20%	6.20%	6.20%
Medicare portion	1.45%	1.45%	1.45%
FICA TAX – SELF-EMPLOYED	15.30%	15.30%	15.30%
Social Security portion	12.40%	12.40%	12.40%
Medicare portion	2.90%	2.90%	2.90%
ADDITIONAL MEDICARE PAYROLL TAX	0.90%	0.90%	0.90%
Single	\$200,000	\$200,000	\$200,000
Joint	\$250,000	\$250,000	\$250,000
QUARTER OF COVERAGE	\$1,470	\$1,410	\$1,360
EARNINGS LIMITATIONS			
Under full retirement age (\$1 reduced for every \$2 earned)	\$18,960	\$18,240	\$17,640
Year of full retirement age (\$1 reduced for every \$3 earned)	\$50,520	\$48,600	\$46,920
Beginning the month of full retirement age	No limit on earnings	No limit on earnings	No limit on earnings
COST OF LIVING ADJUSTMENT	1.30%	1.60%	2.80%
MAXIMUM MONTHLY BENEFIT	\$3,148	\$3,011	\$2,861
PERCENTAGE OF SOCIAL SECURITY BENEFITS SUBJECT TO TAX			
Single filers with combined income			
less than \$25,000	0%	0%	0%
between \$25,000-\$34,000	50%	50%	50%
over \$34,000	85%	85%	85%
Joint filers with combined income			
less than \$32,000	0%	0%	0%
between \$32,000-\$44,000	50%	50%	50%
over \$44,000	85%	85%	85%

Retirement Plan Limits	2021	2020	2019
ELECTIVE DEFERRAL LIMITS			
401(k), 403(b) and 457(b) plans	\$19,500	\$19,500	\$19,000
Catch-up contribution	\$6,500	\$6,500	\$6,000
SIMPLE IRAs	\$13,500	\$13,500	\$13,000
Catch-up contribution	\$3,000	\$3,000	\$3,000
TRADITIONAL AND ROTH IRAS CONTRIBUTION LIMITS			
	\$6,000	\$6,000	\$6,000
Catch-up contribution	\$1,000	\$1,000	\$1,000
TRADITIONAL IRA DEDUCTION PHASEOUT FOR ACTIVE PARTICIPANTS			
Single	\$66,000-\$76,000	\$65,000-\$75,000	\$64,000-\$74,000
Married filing jointly	\$105,000-\$125,000	\$104,000-\$124,000	\$103,000-\$123,000
Married filing separately	\$0-\$10,000	\$0-\$10,000	\$0-\$10,000
Spousal IRA	\$198,000-\$208,000	\$196,000-\$206,000	\$193,000-\$203,000
ROTH IRA CONTRIBUTION PHASEOUTS			
Single	\$125,000-\$140,000	\$124,000-\$139,000	\$122,000-\$137,000
Married filing jointly	\$198,000-\$208,000	\$196,000-\$206,000	\$193,000-\$203,000
Married filing separately	\$0-\$10,000	\$0-\$10,000	\$0-\$10,000
MAXIMUM INCLUDABLE COMPENSATION			
	\$290,000	\$285,000	\$280,000
DEFINED BENEFIT LIMIT			
	\$230,000	\$230,000	\$225,000
DEFINED CONTRIBUTION LIMIT			
	\$58,000	\$57,000	\$56,000
HIGHLY COMPENSATED EMPLOYEES			
	> \$130,000	> \$130,000	> \$125,000
KEY EMPLOYEE			
	> \$185,000	> \$185,000	> \$180,000
SEP MINIMUM COMPENSATION LIMIT			
	\$650	\$600	\$600
RETIREMENT SAVER'S CREDITS (MAXIMUM)			
Single	\$1,000	\$1,000	\$1,000
Married	\$2,000	\$2,000	\$2,000
RETIREMENT SAVER'S CREDIT PHASEOUT (SINGLE)			
50%	\$0-\$19,750	\$0-\$19,500	\$0-\$19,250
20%	\$19,751-\$21,500	\$19,501-\$21,250	\$19,251-\$20,750
10%	\$21,501-\$33,000	\$21,251-\$32,500	\$20,751-\$32,000
RETIREMENT SAVER'S CREDIT PHASEOUT (MARRIED)			
50%	\$0-\$39,500	\$0-\$39,000	\$0-\$38,500
20%	\$39,501-\$43,000	\$39,001-\$42,500	\$38,501-\$41,500
10%	\$43,001-\$66,000	\$42,501-\$65,000	\$41,501-\$64,000

Estate and Gift Tax Planning	2021	2020	2019
ANNUAL GIFT EXCLUSION	\$15,000	\$15,000	\$15,000
ESTATE TAX APPLICABLE EXCLUSION AMOUNT	\$11,700,000	\$11,580,000	\$11,400,000
GIFT TAX EXCLUSION AMOUNT	\$11,700,000	\$11,580,000	\$11,400,000
NONCITIZEN SPOUSE ANNUAL GIFT EXCLUSION	\$159,000	\$157,000	\$155,000
GST EXEMPTION	\$11,700,000	\$11,580,000	\$11,400,000
SPECIAL USE VALUATION LIMIT (QUALIFIED REAL PROPERTY IN THE DECEDENT'S GROSS ESTATE)	\$1,190,000	\$1,180,000	\$1,160,000

FINANCIAL PLANNING LIMITS AND TAX RATE SCHEDULES

Medicare and Health Care Planning	2021	2020	2019
MEDICARE PART A MONTHLY PREMIUM AMOUNTS			
40+ quarters of coverage	\$0	\$0	\$0
30-39 quarters of coverage	\$259	\$252	\$240
< 30 quarters of coverage	\$471	\$458	\$437
MEDICARE PART B MONTHLY PREMIUM AMOUNTS			
	\$148.50-\$504.40	\$144.60-\$491.60	\$135.50-\$460.50
Medicare Part A Hospital Insurance			
First 60 days – deductible	\$1,484	\$1,408	\$1,364
Next 30 days – per day	\$371	\$352	\$341
Next 60 days – per day	\$742	\$704	\$682
SKILLED NURSING BENEFITS			
First 20 days – per day	\$0	\$0	\$0
Next 80 days – per day	\$185.50	\$176	\$170.50
Over 100 days – per day	All	All	All
PART B DEDUCTIBLE	\$203	\$198	\$185
PART D DEDUCTIBLE	\$445	\$435	\$415
Coverage Limit	\$4,130	\$4,020	\$3,820
Out-of-Pocket Threshold	\$6,550	\$6,350	\$5,100
HEALTH SAVINGS ACCOUNT LIMITS			
Individual	\$3,600	\$3,550	\$3,500
Family	\$7,200	\$7,100	\$7,000
Catch up contribution (age 55 or older)	\$1,000	\$1,000	\$1,000
HEALTH SAVINGS ACCOUNT MINIMUM DEDUCTIBLE			
Individual	\$1,400	\$1,400	\$1,350
Family	\$2,800	\$2,800	\$2,700
HEALTH SAVINGS ACCOUNT MAXIMUM OUT-OF-POCKET			
Individual	\$7,000	\$6,900	\$6,750
Family	\$14,000	\$13,800	\$13,500
LONG-TERM CARE PER DIEM LIMIT	\$400	\$380	\$370
LONG-TERM CARE PREMIUM DEDUCTION LIMITS			
Age 40 or under	\$450	\$430	\$420
Age 41-50	\$850	\$810	\$790
Age 51-60	\$1,690	\$1,630	\$1,580
Age 61-70	\$4,520	\$4,350	\$4,220
Over age 70	\$5,640	\$5,430	\$5,270

Education Planning	2021	2020	2019
INTEREST EXCLUSION ON EE SAVING BONDS			
Single phaseouts	\$83,200-\$98,200	\$82,350-\$97,350	\$81,100-\$96,100
Married filing jointly phaseout	\$124,800-\$154,800	\$123,550-\$153,550	\$121,600-\$151,600
COVERDELL EDUCATION SAVINGS ACCOUNT PHASEOUT			
Single phaseouts	\$95,000-\$110,000	\$95,000-\$110,000	\$95,000-\$110,000
Married filing jointly phaseouts	\$190,000-\$220,000	\$190,000-\$220,000	\$190,000-\$220,000
LIFETIME LEARNING CREDIT			
Maximum credit	\$2,000	\$2,000	\$2,000
Single phaseouts	\$80,000-\$90,000	\$59,000-\$69,000	\$58,000-\$68,000
Married filing jointly phaseout	\$160,000-\$180,000	\$118,000-\$138,000	\$116,000-\$136,000
AMERICAN OPPORTUNITY CREDIT			
Maximum credit	\$2,500	\$2,500	\$2,500
Single phaseouts	\$80,000-\$90,000	\$80,000-\$90,000	\$80,000-\$90,000
Married filing jointly phaseout	\$160,000-\$180,000	\$160,000-\$180,000	\$160,000-\$180,000
INTEREST DEDUCTION FOR EDUCATION LOANS			
Maximum deduction	\$2,500	\$2,500	\$2,500
Single phaseouts	\$70,000-\$85,000	\$70,000-\$85,000	\$70,000-\$85,000
Married filing jointly phaseout	\$140,000-\$170,000	\$140,000-\$170,000	\$140,000-\$170,000

Investment Planning	2021	2020	2019
TOP LONG-TERM CAPITAL GAIN RATE	20%	20%	20%
TOP RATE ON QUALIFIED DIVIDENDS	20%	20%	20%
MEDICARE SURTAX ON NET INVESTMENT INCOME	3.80%	3.80%	3.80%
Single taxpayers	\$200,000	\$200,000	\$200,000
Married taxpayers	\$250,000	\$250,000	\$250,000
Estates & Trusts	\$13,050	\$12,950	\$12,750

Source: www.irs.gov

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