

NUMBERS UNLIMITED - 2020

2020 Federal Income Tax Rates - on Taxable Income (Parenthesis after bracket indicates base tax amount plus percentage on amount over lower limit for that bracket)							
Marginal Rate	Single (S)	Married Filing Jointly (MFJ)	Head of Household (HoH)	Married Filing Separately (MFS)	Estates and Trusts	Long Term Capital Gains **	Qualified Dividends**
10%	\$0 - \$9,875	\$0 - \$19,750	\$0 - \$14,100	\$0 - \$9,875	\$0 - 2,600 (\$0 + 10%)	0%	0%
12%	\$9,876 - \$40,125 (\$987.50 + 12%)	\$19,751 - \$80,250 (\$1,975 + 12%)	\$14,101 - \$53,700 (\$1,410 + 12%)	\$9,876 - \$40,125 (\$987.50 + 12%)	n/a	0% ⁺⁺	0% ⁺⁺
22%	\$40,126 - \$85,525 (\$4,617.50 + 22%)	\$80,251 - \$171,050 (\$9,235 + 22%)	\$53,701 - \$85,500 (\$6,162 + 22%)	\$40,126 - \$85,525 (\$4,617.50 + 22%)	n/a	15%	15%
24%	\$85,526 - \$163,300 (\$14,605.50 + 24%)	\$171,051 - \$326,600 (\$29,211 + 24%)	\$85,501 - \$163,300 (\$13,158 + 24%)	\$85,526 - \$163,300 (\$14,605.50 + 24%)	\$2,601 - \$9,450 (\$260 + 24%)	15%	15%
32%	\$163,301 - \$207,350 (\$33,271.50 + 32%)	\$326,601 - \$414,700 (\$66,543 + 32%)	\$163,301 - \$207,350 (\$31,830 + 32%)	\$163,301 - \$207,350 (\$33,271.50 + 32%)	n/a	15%*	15%*
35%	\$207,351 - \$518,400 (\$47,367.50 + 35%)	\$414,701 - \$622,050 (\$94,735 + 35%)	\$207,351 - \$518,400 (\$45,926 + 35%)	\$207,351 - \$311,025 (\$47,367.50 + 35%)	\$9,451 - \$12,950 (\$1,904 + 35%)	15% ^{***}	15% ^{***}
37%	\$518,401 and up (\$156,235 + 37%)	\$622,051 and up (\$167,307.50 + 37%)	\$518,401 and up (\$154,793.50 + 37%)	\$311,026 and up (\$83,653.75 + 37%)	\$12,951 and up (\$3,129 + 37%)	20% ^{***}	20% ^{***}
* 3.8% Medicare tax on investment income will also be imposed for single taxpayers with MAGI above \$200,000 and married filing jointly with MAGI >\$250,000 (MFS >\$125,000)							
** Short term capital gains (investments held less than one year) and non-qualified dividends are taxed at your marginal income tax rate							
*** The 15% long term capital gains rate and qualified dividends rate applies to taxable income as follows: \$40,001 - \$441,450 (S); \$80,001 - \$496,600 (MFJ); \$53,601 - \$469,050 (HoH); \$40,001 - \$248,300 (MFS). For Income below these limits, long term capital gains are taxed at 0%. Income exceeding these limits incur a 20% tax on long term capital gains							
Standard Deductions & Exemptions	Single	Married Filing Jointly	Head of Household	Married Filing Separately	Estates & Trusts		
Standard Deduction ^{1,2}	\$12,400	\$24,800	\$18,650	\$12,400			
AMT Exemption Amount	\$72,900	\$113,400	\$72,900	\$56,700	\$25,400		
AMT 26% tax rate	<\$197,900	<\$197,900	<\$197,900	<\$98,950	<\$197,900		
AMT 28% tax rate ³	>\$197,900	>\$197,900	>\$197,900	>\$98,950	>\$197,900		
"Kiddie Tax" Rule	first \$1,100 offset, next \$1,100 taxed at child's tax rate, any <u>unearned</u> income over \$2,200 is taxed at the estate and trusts rate						
Child Tax Credit	\$2,000 credit per child, reduced \$50 per \$1,000 of MAGI over \$400,000 (MFJ) or \$200,000 (Single/HoH)						
¹ For blind or filers over age 65, there is an additional deduction of \$1,300 (per person) if married, or \$1,650 if Single/HoH							
² Dependents may deduct the greater of \$1,100 or the dependents earned income plus \$350, not to exceed the standard deduction for their filing status.							
³ The AMT exemption phase of 25 ^c per dollar begins at \$518,400 (S)/(MFS) and \$1,036,800 (MFJ). Estates and Trusts begin at \$84,800.							
State and Local Taxes (SALT) limited to \$10,000 for purposes of calculating itemized deductions (\$5,000 for MFS). This includes income, property, and sales tax.							
Retirement Plans (Annual Maximums Unless Otherwise Noted)				Defined Contribution Plans - Max. Employer Deductible Contributions*			
Elective deferrals 401(k), 403(b), 457, and SARSEPs		\$19,500		SEP IRA	Lesser of 25% of compensation or \$57,000		
Catch-up contribution (age 50+)		\$6,500		SIMPLE IRA	Either 3% match or 2% non-elective contribution		
				Profit Sharing/ Money Purchase	Lesser of 25% of compensation or \$57,000		
Defined Contribution - Annual Contribution Limit		\$57,000 (excl. catch-up)		401(k)	25% of compensation; combined employer & employee max of \$57,000 (not including catch-ups)		
Defined Benefit - Annual Benefit Limit		\$230,000		403(b)	100% of compensation; combined employer & employee max of \$57,000 (not including catch-ups)		
SIMPLE Plan		\$13,500		Gov. 457(b)	\$19,500 max, including employee salary deferral		
SIMPLE catch-up contribution (age 50+)		\$3,000		* Maximum compensation amount for qualified plans & SEP IRAs: \$285,000			
Maximum Includible Compensation for Contributions		\$285,000		Gift & Estate Taxes			
Highly Compensated Employee threshold (gross comp.)		>\$130,000		Federal Gift, Estate and Generation-Skipping Tax Exemption		\$11,580,000	
Key Employee threshold (top-heavy plan, gross comp.)		>\$185,000		Gift Tax Annual Exclusion		\$15,000	
SEP compensation minimum for plan participation		\$600		Non-Citizen Spouse Lifetime Estate/Gift Exemption		\$157,000	
IRA or Roth IRA contribution limit		\$6,000		WA State Estate Exemption		\$2,193,000	
IRA or Roth IRA catch-up (age 50+)		\$1,000		Payroll Taxes & Social Security			
IRA deduction phaseout for active participants (MAGI)				OASDI (Social Security) Tax Wage Base ¹		\$137,700	
Single/HoH		\$65,000 - \$75,000		Social Security Employee tax/Employer tax		6.20%/6.20%	
Married Filing Jointly		\$104,000 - \$124,000		Medicare Employee Tax/Employer Tax		1.45%/1.45%	
Married Filing Separately		\$0 - \$10,000		Maximum Benefit at FRA for those Age 62 in 2020		\$3,011/mo	
Spousal IRA/Non-Active Participant Spouse*		\$196,000 - \$206,000		2020 Social Security Benefit COLA		1.60%	
Roth IRA phaseout (MAGI)**				If under FRA, forfeit \$1 for every \$2 in earned income over:		\$18,240	
Single/HoH		\$124,000 - \$139,000		In FRA year but under FRA, forfeit \$1 for every \$3 in earned income over		\$48,600	
Married Filing Jointly/Qualifying Widow(er)		\$196,000 - \$206,000		Provisional Income² (in retirement) causing SS benefits to be taxable:			
Married Filing Separately		\$0 - 10,000		Single - 50% Taxable / 85% Taxable		\$25,000 - \$34,000 / >\$34,000	
				MFJ - 50% Taxable / 85% Taxable		\$32,000 - \$44,000 / >\$44,000	
*Spousal IRA allows non-working spouse filing jointly to contribute to an IRA							
**For 2020, there are no income limits for ROTH conversions. Additionally,							
Traditional 401(k) assets can now be converted to a ROTH 401(k).							
MAGI = (AGI) + (Deductions for IRA Contribution) + (Deductions for Student Loan Int. or Tuition) + (Interest from EE Bonds Used for Higher Ed.) + (Excluded Foreign Income) + (Employer-Paid Adoption Expenses) - (Taxable Income from ROTH Conversions; only for ROTH eligibility MAGI)							
This material is intended to serve as a reference guide only. No warranty is made as to the accuracy of the information. It is not intended to provide specific advice or recommendations for any individual. Federal tax laws and investment regulations are complex and subject to change. Please consult a qualified professional for advice on your specific situation.							

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Life Contracts				Medicare Part A (Hospital Insurance)			
Allowable 1035 Exchanges				Monthly Premium* \$0			
Life	can become	Life, Modified Endowment Contract (MEC), Annuity, or Long-Term Care (LTC)		Hospital Stays			
				First 60 days, patient pays deductible \$1,408			
MEC	can become	Modified Endowment Contract, Annuity, or LTC		Next 30 days, patient pays per day \$352			
Annuity	can become	Annuity or Long-Term Care		Next 60 days (lifetime reserve days), patient pays per day \$704			
LTC	can become	LTC		Skilled Nursing Benefits			
Annuity Taxation				First 20 days, patient pays per day \$0			
Withdrawals not received as an annuity:				Next 80 days, patient pays per day \$176.00			
Contract Issued Prior to 8/13/82			FIFO (First In First Out)	Over 100 days, patient pays per day All costs			
Contract Issued After 8/13/82			LIFO (Last In First Out)	<i>*If you are not currently eligible for Social Security, the premium is \$458/mo.</i>			
Annuitized Payments:				Medicare Part B (Medical Insurance)			
Contract Issued Prior to 1/1/87			Exclusion Ratio* for Term of Annuity	Deductible \$198 per year			
Contract Issued Post 1/1/87			Exclusion Ratio* only to extent of basis recovery	Coinsurance 20%			
<i>*the Exclusion Ratio refers to the portion of the return on investments that is income tax exempt. Generally, it represents a payback of your initial investment</i>				Monthly Premium			
Life Insurance Taxation				If your MAGI in 2017 (2-years prior) was			
MEC Withdrawal	LIFO (Last In First Out)	Loans & Death Benefit	Tax Free	You Pay*	Single	Married Filing Jointly	
Non-MEC Withdrawal	FIFO (First In First Out)	Loan Balance on Lapse	Taxable Income	\$144.60	<\$87,000	<\$174,000	
				\$202.40	\$87,001 - \$109,000	\$174,001 - \$218,000	
				\$289.20	\$109,001 - \$136,000	\$218,001 - \$272,000	
				\$376.00	\$136,001 - \$163,000	\$272,001 - \$326,000	
				\$462.70	\$163,001 - \$500,000	\$326,001 - 750,000	
				\$491.60	>\$500,000	>\$750,000	
				You Pay		Married Filing Separately	
				\$144.60		<\$87,000	
				\$462.70		\$87,001 - \$413,000	
				\$491.60		>\$413,000	
				Medicare Part D (Prescription Drugs, % indicates patients copay)			
				Maximum Deductible	\$435		
				Coinsurance (25% Brand-Name/25% Generic) starts at	\$4,020		
				Catastrophic Coverage/OOP Coinsurance (5%) starts at	\$6,350		
				Social Security Full Retirement Age (FRA)* (If born on Jan. 1st, refer to previous year)			
				Year of Birth	FRA	Year of Birth	FRA
				1941	65 & 8 months	1957	66 & 6 months
				1942	65 & 10 months	1958	66 & 8 months
				1943-54	66	1959	66 & 10 months
				1955	66 & 2 months	1960 and later	67
				1956	66 & 4 months		
				<i>*Early benefit reduction = 5/9% per month for first 36 months, 5/12% for add'l months</i>			
				Section 179			
				Maximum Deduction per Year	\$1,040,000		
				Limit on Capital Purchases (deduction phase-out) ¹	\$2,590,000		
				Accelerated (Bonus) Depreciation ²	100%		
				¹ Deduction is phased-out dollar for dollar above the \$2.59 million limit.			
				² Can be taken on eligible property in service after Sept. 27, 2017 and before January 2023. Can be used above the standard deduction limit of \$1.04m. Bonus Depreciation will phase down 2023 through 2027.			
				Health Savings Accounts (HSA) - High Deductible Health Plans (HDHP)			
				Maximum Deductible Contribution Limit (Employer + Employee)			
				Individual	\$3,550		
				Family	\$7,100		
				Catch Up Contribution (Age 55+)	\$1,000		
				HDHP Annual Deductible Minimum			
				Individual	\$1,400		
				Family	\$2,800		
				HDHP Max. Out-Of-Pocket Amounts			
				Individual	\$6,900		
				Family	\$13,800		
				Adoption Credit ^{NR}			
				Maximum Federal* Credit (per child)	\$14,300		
				Credit Phase Out (MAGI, all filing status except MFS)	\$214,520 - \$254,520		
				<i>*some states may have an additional credit for adoption expenses</i>			
				^{NR} Indicates a Non-Refundable Tax Credit, which can only reduce tax liability to zero, and ^R indicates a Refundable or Partially-Refundable Credit, meaning it can reduce tax liability below zero and apply to a refund.			
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Standard Mileage Rates	
Business Use	57.5¢ per mile
Charitable Use	14¢ per mile
Medical or Moving Use	17¢ per mile

Savers Credit ^{NR} (based on AGI)			
Filing Status	50% Credit	20% Credit	10% Credit
Joint	\$0 - \$39,000	\$39,001 - \$42,500	\$42,501 - \$ 65,000
Head of Household	\$0 - \$29,250	\$29,251 - \$31,875	\$31,876 - \$48,750
Single/Others	\$0 - \$19,500	\$19,501 - \$21,250	\$21,251 - \$32,500

Credit applies to the first \$2,000 contributed to a ROTH, Traditional IRA, 401k, 403(b), 457 Plan, SIMPLE IRA or SEP IRA. Rollovers are not eligible

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Uniform Life Table *		Single Life Table (For use by Beneficiaries)				Allowable IRA Distributions								
Age	Divisor (Life Expectancy)	Age	Life Expectancy	Age	Life Expectancy	<i>The following chart may be used to determine inherited IRA Required Minimum Distributions. Beneficiary options vary depending upon if death occurred before or after the IRA holder reached their Required Beginning Date (RBD). Note that a beneficiary's age as of December 31 of the year of distribution is used to determine the life expectancy (LE) factor for RMDs.</i>								
70.5	27.4	0	82.4	56	28.7				Beneficiary	Death Before Required Beginning Date	Death After Required Beginning Date			
71	26.5	1	81.6	57	27.9	Spouse & Eligible Beneficiaries ¹	<ul style="list-style-type: none"> Total distribution. Five-year rule. LE payments based on own LE beginning in the year following the year the IRA owner would have turned 72, recalculated each year. Spouse can roll over into their own IRA. 	<ul style="list-style-type: none"> Total distribution. First distribute RMD for year of the IRA holder's death based on decedent's LE. Continue RMDs based on the longer of the deceased IRA holder's LE (reduced by one each year) or their own LE (recalculated). Roll over the remaining assets into the spouse's IRA. 						
72	25.6	2	80.6	58	27									
73	24.7	3	79.7	59	26.1									
74	23.8	4	78.7	60	25.2									
75	22.9	5	77.7	61	24.4									
76	22	6	76.7	62	23.5									
77	21.2	7	75.8	63	22.7									
78	20.3	8	74.8	64	21.8									
79	19.5	9	73.8	65	21									
80	18.7	10	72.8	66	20.2									
81	17.9	11	71.8	67	19.4	Eligible Minor Beneficiaries ¹	<ul style="list-style-type: none"> Total distribution. Five-year rule. LE payments based on single LE of beneficiary. After a minor reaches age of majority, 10-year distribution rule applies. 	<ul style="list-style-type: none"> Total distribution. First distribute RMD for year of the IRA holder's death based on the longer of the deceased IRA holder's LE or the LE of the beneficiary. After a minor reaches age of majority, 10-year distribution rule applies. 						
82	17.1	12	70.8	68	18.6									
83	16.3	13	69.9	69	17.8									
84	15.5	14	68.9	70	17									
85	14.8	15	67.9	71	16.3									
86	14.1	16	66.9	72	15.5									
87	13.4	17	66	73	14.8									
88	12.7	18	65	74	14.1									
89	12	19	64	75	13.4	Non-eligible Beneficiaries Only	<ul style="list-style-type: none"> Total distribution. 10-year rule. 	<ul style="list-style-type: none"> Total distribution. 10-year rule. 						
90	11.4	20	63	76	12.7									
91	10.8	21	62.1	77	12.1									
92	10.2	22	61.1	78	11.4									
93	9.6	23	60.1	79	10.8									
94	9.1	24	59.1	80	10.2									
95	8.6	25	58.2	81	9.7									
96	8.1	26	57.2	82	9.1									
97	7.6	27	56.2	83	8.6									
98	7.1	28	55.3	84	8.1									
99	6.7	29	54.3	85	7.6	Qualified Trust (Eligible Beneficiaries ¹)	<ul style="list-style-type: none"> Total distribution Life expectancy payments based on the oldest beneficiary of the trust. For subsequent years, this factor is reduced by one. 	<ul style="list-style-type: none"> Total distribution. After RMD in year of the IRA holder's death, subsequent RMDs will be based on the LE of the oldest beneficiary of the trust. LE factor is reduced by one for each subsequent year. 						
100	6.3	30	53.3	86	7.1									
101	5.9	31	52.4	87	6.7									
102	5.5	32	51.4	88	6.3									
103	5.2	33	50.4	89	5.9									
104	4.9	34	49.4	90	5.5									
105	4.5	35	48.5	91	5.2									
106	4.2	36	47.5	92	4.9									
107	3.9	37	46.5	93	4.6									
108	3.7	38	45.6	94	4.3									
109	3.4	39	44.6	95	4.1	Non-qualified Trust (Non-eligible beneficiaries)	<ul style="list-style-type: none"> Total distribution. Five-year rule. LE payments not available. 	<ul style="list-style-type: none"> Total distribution. 10-year rule. 						
110	3.1	40	43.6	96	3.8									
111	2.9	41	42.7	97	3.6									
112	2.6	42	41.7	98	3.4									
113	2.4	43	40.7	99	3.1									
114	2.1	44	39.8	100	2.9									
115 +	1.9	45	38.8	101	2.7									
		46	37.9	102	2.5									
		47	37	103	2.3									
		48	36	104	2.1									
<i>For Use by: Unmarried Owners, Married Owners Whose Spouses Are Not More Than 10 Years Younger, and Married Owners Whose Spouses Are Not the Sole Beneficiaries of Their IRAs</i>		49	35.1	105	1.9	Charity	<ul style="list-style-type: none"> Total distribution. Five-year rule. LE payments not available. 	<ul style="list-style-type: none"> Total distribution. RMDs to continue based on the deceased IRA holder's LE as determined in the year of death. LE factor is reduced by one for each subsequent year. 						
		50	34.2	106	1.7									
		51	33.3	107	1.5									
		52	32.3	108	1.4									
		53	31.4	109	1.2									
		54	30.5	110	1.1									
		55	29.6	111 and over	1									
Charitable Income Tax Deduction - AGI Limitations						Washington State Estate Tax		Corporate Tax Rates		Eligible Long-Term Care Premiums				
Property Gifted	Public Charity	Private Charity		Rate	Taxable Estate	Rate	Taxable Income							
Cash	60%	30%		10.00%	\$0-\$1,000,000	21.00%	All							
Ordinary income assets (i.e securities held < 1 year)	50%, limited to basis	30%, limited to basis		14.00%	\$1,000,000 - \$2,000,000 (\$100,000 + 14%)	Pass-Through entities qualify for a 20% income deduction if the owner's taxable income is below \$163,300 (S & HoH), \$326,600 (MFJ), and \$163,300 (MFS). If income is above these thresholds the deduction is not available to specified service businesses. If taxable income is above these thresholds and the entity is not a specified service business the deduction cannot exceed the greater of: 50% of wages paid or 25% of wages paid plus 2.5% of the original tax cost of certain depreciable assets.		<i>Maximum qualified LTC Premiums eligible for a tax deduction under "medical expense":</i>						
Appreciated long-term capital gain property	FMV up to 30% or basis up to 50%	FMV up to 20% or basis up to 30%		15.00%	\$2,000,000 - \$3,000,000 (\$240,000 + 15%)							Age*	Premium	
Tangible personal property held >1 year (use related)	FMV up to 30% or basis up to 50%	FMV up to 20% or basis up to 30%		16.00%	\$3,000,000 - \$4,000,000 (\$390,000 + 16%)							< 40	\$430	
Tangible personal property held >1 year (use unrelated)	50%, limited to basis	30%, limited to basis		18.00%	\$4,000,000 - \$6,000,000 (\$550,000 + 18%)							41 - 50	\$810	
Life Insurance	Replacement Value up to 30% or basis up to 50%.	Replacement Value up to 30% or basis.		19.00%	\$6,000,000 - \$7,000,000 (\$910,000 + 19%)							51 - 60	\$1,630	
				19.50%	\$7,000,000 - \$9,000,000 (\$1,100,000 + 19.5%)							61 - 70	\$4,350	
				20.00%	> \$9,000,000 (\$1,490,000 + 20%)							> 70	\$5,430	
				Federal Estate Tax Rate = 40%						Professional Corporation: Flat 21%				
										<i>*Attained age of participant before the close of the taxable year.</i>				