

NUMBERS UNLIMITED - 2021

2021 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 - \$9,950	\$0 - \$19,900	\$0 - \$14,200	\$0 - \$9,950	\$0 - 2,650 (\$0 + 10%)	0%	0%
12%	\$9,951 - \$40,525 (\$995 + 12%)	\$19,901 - \$81,050 (\$1,990 + 12%)	\$14,201 - \$54,200 (\$1,420 + 12%)	\$9,951 - \$40,525 (\$995 + 12%)	n/a	0% ⁺⁺	0% ⁺⁺
22%	\$40,526 - \$86,375 (\$4,664 + 22%)	\$81,051 - \$172,750 (\$9328 + 22%)	\$54,201 - \$86,350 (\$6,220 + 22%)	\$40,526 - \$86,375 (\$4,664 + 22%)	n/a	15%	15%
24%	\$86,376 - \$164,925 (\$14,751 + 24%)	\$172,751 - \$329,850 (\$29,502 + 24%)	\$86,351 - \$164,900 (\$13,293 + 24%)	\$86,376 - \$164,925 (\$14,751 + 24%)	\$2,651 - \$9,550 (\$265 + 24%)	15%	15%
32%	\$164,926 - \$209,425 (\$33,603 + 32%)	\$329,851 - \$418,850 (\$67,206 + 32%)	\$164,901 - \$209,400 (\$32,145 + 32%)	\$164,926 - \$209,425 (\$33,603 + 32%)	n/a	15%*	15%*
35%	\$209,426 - \$523,600 (\$47,843 + 35%)	\$418,851 - \$628,300 (\$95,686 + 35%)	\$209,401 - \$523,600 (\$46,385 + 35%)	\$209,426 - \$314,150 (\$47,843 + 35%)	\$9,551 - \$13,050 (\$1,921 + 35%)	15% ⁺⁺⁺	15% ⁺⁺⁺
37%	\$523,601 and up (\$157,804.25 + 37%)	\$628,301 and up (\$168,993.50 + 37%)	\$523,601 and up (\$156,355 + 37%)	\$314,151 and up (\$84,496.75 + 37%)	\$13,051 and up (\$3,146 + 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: \$40,401 - \$445,850 (S); \$80,801 - \$501,600 (MFJ); \$54,101 - \$473,750 (HoH); \$40,401 - \$250,800 (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}		\$12,550	\$25,100	\$18,800	\$12,550		
AMT Exemption Amount		\$73,600	\$114,600	\$73,600	\$57,300	\$25,700	
AMT 26% tax rate		<\$199,900	<\$199,900	<\$199,900	<\$99,950	<\$199,900	
AMT 28% tax rate ³		>\$199,900	>\$199,900	>\$199,900	>\$99,950	>\$199,900	
"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 \$1,350 (per person) if married, or \$1,700 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 \$523,600 (S)/(MFS) and \$1,047,200 (MFJ). Estates and Trusts begin at \$85,650.							
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 \$58,000	
Catch-up contribution (age 50+)		\$6,500		SIMPLE IRA		Either 3% match or 2% non-elective contribution	
				Profit Sharing/		Lesser of 25% of compensation or \$58,000	
Defined Contribution - Annual Contribution Limit		\$58,000 (excl. catch-up)		Money Purchase			
Defined Benefit - Annual Benefit Limit		\$230,000		401(k)		25% of compensation; combined employer & employee max of \$58,000 (not including catch-ups)	
SIMPLE Plan		\$13,500		403(b)		100% of compensation; combined employer & employee max of \$58,000 (not including catch-ups)	
SIMPLE catch-up contribution (age 50+)		\$3,000		Gov. 457(b)		\$19,500 max, including employee salary deferral	
Maximum Includible Compensation for Contributions		\$290,000		* Maximum compensation amount for qualified plans & SEP IRAs: \$290,000			
Highly Compensated Employee threshold (gross comp.)		>\$130,000		Gift & Estate Taxes			
Key Employee threshold (top-heavy plan, gross comp.)		>\$185,000		Federal Gift, Estate and Generation-Skipping Tax Exemption			
SEP compensation minimum for plan participation		\$600		Gift Tax Annual Exclusion			
				Non-Citizen Spouse Lifetime Estate/Gift Exemption			
IRA or Roth IRA contribution limit		\$6,000		WA State Estate Exemption			
IRA or Roth IRA catch-up (age 50+)		\$1,000		Payroll Taxes & Social Security			
				OASDI (Social Security) Tax Wage Base ¹			
IRA deduction phaseout for active participants (MAGI)				Social Security Employee tax/Employer tax			
Single/HoH		\$66,000 - \$76,000		Medicare Employee Tax/Employer Tax			
Married Filing Jointly		\$105,000 - \$125,000		Maximum Benefit at FRA for those Age 62 in 2021			
Married Filing Separately		\$0 - \$10,000		2021 Social Security Benefit COLA			
Spousal IRA/Non-Active Participant Spouse*		\$198,000 - \$208,000		If under FRA, forfeit \$1 for every \$2 in earned income over:			
				In FRA year but under FRA, forfeit \$1 for every \$3 in earned income over \$50,520			
Roth IRA phaseout (MAGI)**				Provisional Income² (in retirement) causing SS benefits to be taxable:			
Single/HoH		\$125,000 - \$140,000		Single - 50% Taxable / 85% Taxable			
Married Filing Jointly/Qualifying Widow(er)		\$198,000 - \$208,000		MFJ - 50% Taxable / 85% Taxable			
Married Filing Separately		\$0 - 10,000					
*Spousal IRA allows non-working spouse filing jointly to contribute to an IRA				¹ 0.9% Medicare surtax on earned income and/or self employment income above \$200k MAGI Single, \$250k MFJ, \$125k MFS.			
**For 2021, there are no income limits for ROTH conversions. Additionally, Traditional 401(k) assets can now be converted to a ROTH 401(k).				² Provisional Income = (AGI) + (Tax-Exempt Interest) + (50% of SS benefits)			
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)							
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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								
MEC	can become	Modified Endowment Contract, Annuity, or LTC		First 60 days, patient pays deductible				\$1,484				
Annuity	can become	Annuity or Long-Term Care		Next 30 days, patient pays per day				\$371				
LTC	can become	LTC		Next 60 days (lifetime reserve days), patient pays per day				\$742				
Annuity Taxation				Skilled Nursing Benefits								
Withdrawals not received as an annuity:				First 20 days, patient pays per day				\$0				
Contract Issued Prior to 8/13/82				Next 80 days, patient pays per day				\$185.50				
Contract Issued After 8/13/82				Over 100 days, patient pays per day				All costs				
Annuitized Payments:				*If you are not currently eligible for Social Security, the premium is \$478/mo.								
Contract Issued Prior to 1/1/87				Exclusion Ratio* for Term of Annuity				Deductible	\$203 per year			
Contract Issued Post 1/1/87				Exclusion Ratio* only to extent of basis recovery				Coinsurance	20%			
*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								Monthly Premium	If your MAGI in 2018 (2-years prior) was			
Life Insurance Taxation								You Pay*	Single	Married Filing Jointly		
MEC Withdrawal	LIFO (Last In First Out)	Loans & Death Benefit	Tax Free					\$148.50	<\$88,000	<\$176,000		
Non-MEC Withdrawal	FIFO (First In First Out)	Loan Balance on Lapse	Taxable Income					\$207.90	\$88,001 - \$111,000	\$176,001 - \$222,000		
Education Accounts & Taxation								\$297.00	\$111,001 - \$138,000	\$222,001 - \$276,000		
EE Bonds for education - Interest Exclusion Phase Out								\$386.10	\$138,001 - \$165,000	\$276,001 - \$330,000		
Single/HoH/MFS				\$83,200 - \$98,200				\$475.20	\$165,001 - \$500,000	\$330,001 - 750,000		
Married Filing Jointly				\$124,800 - \$154,800				\$504.90	>\$500,000	>\$750,000		
Coverdell Education Savings Account								You Pay		Married Filing Separately		
Annual Tax-Qualified Contribution Limit (per beneficiary)				\$2,000				\$148.50		<\$88,000		
Contribution Phase Out (Income)								\$475.20		\$88,001 - \$412,000		
Single/Head of Household				\$95,000 - \$110,000				\$504.90		>\$412,000		
Married Filing Jointly				\$190,000 - \$220,000				Medicare Part D (Prescription Drugs, % indicates patients copay)				
Lifetime Learning Credit ^{1, NR} Phase Out								Maximum Deductible			\$445	
Single/Head of Household MAGI				\$80,000 - \$90,000				Coinsurance (25% Brand-Name/25% Generic) starts at			\$4,130	
Married Filing Jointly MAGI				\$160,000 - \$180,000				Catastrophic Coverage/OOP Coinsurance (5%) starts at			\$6,550	
American Opportunity Credit ^{2, R} Phase Out								Social Security Full Retirement Age (FRA)* (If born on Jan. 1st, refer to previous year)				
Single/Head of Household MAGI				\$80,000 - \$90,000				Year of Birth	FRA	Year of Birth	FRA	
Married Filing Jointly MAGI				\$160,000 - \$180,000				1941	65 & 8 months	1957	66 & 6 months	
Student Loan Interest Deduction ³ Phase Out								1942	65 & 10 months	1958	66 & 8 months	
Single/Head of Household				\$70,000 - \$85,000				1943-54	66	1959	66 & 10 months	
Married Filing Jointly				\$140,000 - \$170,000				1955	66 & 2 months	1960 and later	67	
529 College Savings Plan								1956	66 & 4 months	*Early benefit reduction = 5/9% per month for first 36 months, 5/12% for add'l months		
Maximum 529 Balance for Contributions Varies by State from \$235,000 - \$529,000								Section 179				
Maximum Annual Contribution Excluded from Gift Tax ⁴				\$15,000				Maximum Deduction per Year				\$1,050,000
The IRS allows one education credit per student, per year								Limit on Capital Purchases (deduction phase-out) ¹				\$2,620,000
¹ Credit is for 20% of up to \$10,000 qualified expenses (max. credit of \$2,000) per return								Accelerated (Bonus) Depreciation ²				100%
² Credit is for 100% of qualified post high school expenses on the first \$2,000, and 25% on the next \$2,000 for a maximum total credit of \$2,500 per student								¹ Deduction is phased-out dollar for dollar above the \$2.62 million limit.				
³ Deduction for student loan interest for you, your spouse or your dependent up to \$2,500 per year								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 \$1.05m. Bonus Depreciation will phase down 2023 through 2027.				
⁴ 529 contributions count towards your annual gift limit; you may contribute more but it will count towards your lifetime gift exclusion. You may also choose to contribute 5 years worth of gifts at once (\$75,000) and have no gift exclusion for the next 5 years.								Health Savings Accounts (HSA) - High Deductible Health Plans (HDHP)				
Standard Mileage Rates								Maximum Deductible Contribution Limit (Employer + Employee)				
Business Use				56¢ per mile				Individual				\$3,600
Charitable Use				14¢ per mile				Family				\$7,200
Medical or Moving Use				16¢ per mile				Catch Up Contribution (Age 55+)				\$1,000
Savers Credit ^{NR} (based on AGI)								HDHP Annual Deductible Minimum				
Filing Status	50% Credit	20% Credit	10% Credit					Individual				\$1,400
Joint	\$0 - \$39,500	\$39,501 - \$43,000	\$43,001 - \$ 66,000					Family				\$2,800
Head of Household	\$0 - \$29,625	\$29,626 - \$32,250	\$32,251- \$49,500					HDHP Max. Out-Of-Pocket Amounts				
Single/Others	\$0 - \$19,750	\$19,751 - \$21,500	\$21,501 - \$33,000					Individual				\$7,000
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								Family				\$14,000
^{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.								Adoption Credit ^{NR}				
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								Credit Phase Out (MAGI, all filing status except MFS)				\$216,660 - \$256,660
								*some states may have an additional credit for adoption expenses				

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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 Spouse & Eligible Beneficiaries ¹	Death Before Required Beginning Date <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.	Death After Required Beginning Date <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.			
71	26.5	1	81.6	57	27.9						
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	Eligible Minor Beneficiaries ¹	• Total distribution.	• First distribute RMD for year of the IRA holder's death based on the decedent's LE. Continue RMDs 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.			
81	17.9	11	71.8	67	19.4						
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						
90	11.4	20	63	76	12.7	Non-eligible Beneficiaries Only	• Total distribution.	• 10-year rule.			
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						
100	6.3	30	53.3	86	7.1	Qualified Trust (Eligible Beneficiaries ¹)	• Total distribution	• Life expectancy payments based on the oldest beneficiary of the trust. For subsequent years, this factor is reduced by one.			
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						
110	3.1	40	43.6	96	3.8	Non-qualified Trust (Non-eligible beneficiaries)	• Total distribution.	• 10-year rule.			
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						
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		46	37.9	102	2.5						
		47	37	103	2.3						
		48	36	104	2.1						
		49	35.1	105	1.9						
		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						¹ Eligible Designated Beneficiaries include 1) the surviving spouse 2) a child of the participant/owner who has not reached the age of majority 3) a disabled individual 4) an individual diagnosed with a chronic illness (as defined by the statute) and 5) individuals who are no more than 10 years younger than the participant/owner.					
Property Gifted		Public Charity		Private Charity		Washington State Estate Tax		Corporate Tax Rates		Eligible Long-Term Care Premiums	
						Rate	Taxable Estate	Rate	Taxable Income		
Cash		100%		30%		10.00%	\$0-\$1,000,000	21.00%	All	Maximum qualified LTC Premiums eligible for a tax deduction under "medical expense":	
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 \$164,900 (S & HoH), \$329,800 (MFJ), and \$164,925 (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.		Age*	Premium
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%)			< 40	\$450
						16.00%	\$3,000,000 - \$4,000,000 (\$390,000 + 16%)			41 - 50	\$850
						18.00%	\$4,000,000 - \$6,000,000 (\$550,000 + 18%)			51 - 60	\$1,690
						19.00%	\$6,000,000 - \$7,000,000 (\$910,000 + 19%)			61 - 70	\$4,520
						19.50%	\$7,000,000 - \$9,000,000 (\$1,100,000 + 19.5%)			> 70	\$5,640
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%		20.00%	> \$9,000,000 (\$1,490,000 + 20%)			*Attained age of participant before the close of the taxable year.	
Tangible personal property held >1 year (use unrelated)		50%, limited to basis		30%, limited to basis							
Life Insurance		Replacement Value up to 30% or basis up to 50%.		Replacement Value up to 30% or basis.		Federal Estate Tax Rate = 40%		Professional Corporation: Flat 21%			