

2021 TAX REFERENCE GUIDE

TAX BRACKETS FOR 2021

MARRIED, FILING JOINTLY

\$0 - \$19,900	10%
\$19,901 - \$81,050	12%
\$81,051 - \$172,750	22%
\$172,751 - \$329,850	24%
\$329,851 - \$418,850	32%
\$418,851 - \$628,300	35%
Over \$628,300	37%

SINGLE

\$0 - \$9,950	10%
\$9,951 - \$40,525	12%
\$40,526 - \$86,375	22%
\$86,376 - \$164,925	24%
\$164,926 - \$209,425	32%
\$209,426 - \$523,060	35%
Over \$523,060	37%

TRUST

Over \$13,050	37%
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LONG TERM CAPITAL GAINS/QUALIFIED DIVIDEND RATES FOR 2021

MARRIED FILING JOINTLY

\$0 - \$80,800	\$80,801 - \$250,000	\$250,001 - \$501,600	Over \$501,600
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SINGLE TAXPAYER (2018)

\$0 - \$40,400	\$40,401 - \$200,000	\$200,001 - \$445,850	Over \$445,850
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LONG-TERM CAPITAL GAINS RATE

0%	15%	15%	20%
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NET INVESTMENT INCOME TAX

0%	0%	3.8%	3.8%
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COMBINED LONG-TERM CAPITAL GAINS TAX RATE

0%	15%	18.8%	23.8%
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RETIREMENT

IRA AND ROTH IRA CONTRIBUTION LIMITS

	2021	2020
Under Age 50	\$6,000	\$6,000
Age 50 and Over	\$7,000	\$7,000

Eligibility for Roth: Modified AGI is less than \$125,000 (single) or \$198,000 (married) in 2021. For 2020, \$124,000 and \$196,000.

401(k) AND 403(b) CONTRIBUTION LIMITS

Under Age 50	\$19,500	\$19,500
Age 50 and Over	\$26,000	\$26,000

SIMPLE IRA ELECTIVE DEFERRAL

Under Age 50	\$13,500	\$13,500
Age 50 and Over	\$16,500	\$16,500

SEP CONTRIBUTION LIMITS

	\$58,000	\$57,000
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Up to 25% of compensation. Minimum compensation \$650.

LIMIT ON ANNUAL ADDITIONS TO DEFINED CONTRIBUTION PLANS

Under Age 50	\$58,000	\$57,000
Age 50 and Over	\$64,500	\$63,500

ANNUAL BENEFIT LIMIT UNDER DEFINED BENEFIT PLAN

	\$230,000	\$230,000
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LIMITATION USED IN DEFINING HIGHLY COMPENSATED EMPLOYEES

	\$130,000	\$130,000
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MAXIMUM EARNINGS BEFORE SOCIAL SECURITY REDUCED

Under Full Retirement Age (\$1 withheld for every \$2 earned)	\$18,960	\$18,240
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HEALTH SAVINGS ACCOUNTS CONTRIBUTION LIMITS

Single	\$3,600	\$3,550
Family	\$7,200	\$7,100
Age 55 and Over (Catch-up)	\$1,000	\$1,000

Must be covered by high deductible plan. Minimum annual deductibles of \$1,400 (single) or \$2,800 (family).

DEDUCTIONS, EXEMPTIONS AND EXCLUSIONS

	2021	2020
Federal Estate Tax Exemption	\$11,700,000	\$11,580,000
Illinois - State Estate Tax Exemption	\$4,000,000	\$4,000,000
Personal Exemptions	\$0*	\$0*
Federal Estate Tax (Highest Rate)	40%	40%
Annual Exclusion for Gifts	\$15,000	\$15,000
Social Security Wage Limit	\$142,800	\$137,700

STANDARD DEDUCTION

Married, Filing Joint	\$25,100	\$24,800
Single	\$12,550	\$12,400

If over age 65, additional standard deduction of \$1,350 per person.

AMT EXEMPTION

Married, Filing Joint	\$114,600	\$113,400
Single	\$73,600	\$72,900

Exemption phase-out begins at \$1,047,200 (married) or \$523,600 (single).

CHARITABLE DONATIONS

Cash donations	Up to 60% of AGI	No limit
Qualified Charitable Distributions (QCD)	Up to \$100,000	Up to \$100,000

QCD's are distributions from qualified retirement accounts directly to a charity by taxpayers over 70.5. These distributions DO satisfy RMD's

STATE TAX DEDUCTION

State and local income, sales, real estate, and property taxes in aggregate.	\$10,000*	\$10,000*
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MORTGAGE INTEREST DEDUCTION ON PERSONAL RESIDENCES (UP TO 2*)

Mortgage debt acquired after 12/15/2017	Up to \$750,000 of principal*
Mortgage debt acquired before 12/15/2017	Up to \$1,000,000 of principal
Home equity (HELOC) debt	\$0*

MEDICAL EXPENSES DEDUCTION

Medical expenses in excess of 10% of AGI are eligible as an itemized deduction for 2021.

SUSPENDED ITEMIZED DEDUCTIONS*

- Tax preparation fees
- Investment expenses
- Unreimbursed business expenses
- Professional and union dues

*Applies to tax years 2018-2025.

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