

2020 Tax Reference Guide



Tax Brackets for 2020

Taxable income (i.e., income minus deductions and exemptions) by filing status:

Married, Filing Jointly	Married, Filing Separately	Rate	Single	Single, Head of Household	Rate
\$1 – \$19,750	\$1 – \$9,875	10%	\$1 – \$9,875	\$1 – \$14,100	10%
\$19,751 – \$80,250	\$9,876 – \$40,125	12%	\$9,876 – \$40,125	\$14,101 – \$53,700	12%
\$80,251 – \$171,050	\$40,126 – \$85,525	22%	\$40,126 – \$85,525	\$53,701 – \$85,500	22%
\$171,051 – \$326,600	\$85,526 – \$163,300	24%	\$85,526 – \$163,300	\$85,501 – \$163,300	24%
\$326,601 – \$414,700	\$163,301 – \$207,350	32%	\$163,301 – \$207,350	\$163,301 – \$207,350	32%
\$414,701 – \$622,050	\$207,351 – \$311,025	35%	\$207,351 – \$518,400	\$207,351 – \$518,400	35%
\$622,051 and over	\$311,026 and over	37%	\$518,401 and over	\$518,401 and over	37%

Estates and Trusts	Rate
\$1 – \$2,600	10%
\$2,601 – \$9,450	24%
\$9,451 – \$12,950	35%
\$12,951 and over	37%

Capital Gains & Qualified Dividends	Rate		
	0%	15%	20%
Married, filing jointly	\$0 – \$80,000	\$80,001 – \$496,600	\$496,601 and over
Married, filing separately	\$0 – \$40,000	\$40,001 – \$248,300	\$248,301 and over
Single	\$0 – \$40,000	\$40,001 – \$441,450	\$441,451 and over
Single, Head of Household	\$0 – \$53,600	\$53,601 – \$469,050	\$469,051 and over
Estates and Trusts	\$0 – \$ 2,650	\$ 2,651 – \$ 13,150	\$ 13,151 and over

Corporate Tax Rate	21%
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STANDARD DEDUCTION

Married, filing jointly	\$24,800
Single	\$12,400
Single, HOH ¹	\$18,650

Blind or over 65: add \$1,300 if married, \$1,650 if single or HOH

ADDITIONAL MEDICARE TAX WHERE INCOME EXCEEDS \$200,000 (\$250,000 married, filing jointly)

Additional tax on excess of earned income ²	0.9%
Additional tax on net investment income ³	3.8%

CHILD/DEPENDENT TAX CREDIT

Child	\$2,000 per child up to \$1,400 refundable
Qualifying dependent	\$500 per dependent, non-refundable

ALTERNATIVE MINIMUM TAX EXEMPTION AMOUNT

	26%	28%
Married, filing jointly	\$113,400	\$197,900
Single, HOH	\$72,900	\$197,900*
Married, filing separately	\$56,700	\$98,950
Estates & Trusts	\$26,400	\$197,900

*Except for surviving spouse

AMT Phaseout Threshold

Married, filing jointly	\$1,036,800
All Others	\$518,400
Estates & Trusts	\$84,800
Capital gains on collectibles	28%
Unrecaptured 1250 depreciation	25%

GIFT & ESTATE TAX

Gift tax annual exclusion	\$15,000
Estate/gift tax rate	40%
Estate tax exemption	\$11,580,000
Lifetime gift exemption	\$11,580,000
GST⁸ exemption	\$11,580,000
Annual exclusion for gifts to non-citizen spouse	\$157,000

IRA & PENSION PLAN LIMITS

IRA contribution

Under age 50	\$6,000
Age 50 and over	\$7,000

Phaseout for deducting IRA contribution

Married, filing jointly	\$104,000 – \$124,000 AGI ⁴
Single, HOH	\$65,000 – \$75,000 AGI
Married, filing separately	\$0 – \$10,000 AGI

Phaseout for deducting Spousal IRA

\$196,000 – \$206,000 AGI

Phaseout for ROTH contribution eligibility

Married, filing jointly	\$196,000 – \$206,000 MAGI ⁶
Single, HOH	\$124,000 – \$139,000 MAGI
Married, filing separately	\$0 – \$10,000 MAGI

SEP contribution

Up to 25% of compensation, limit \$57,000

Compensation to participate in SEP

\$600

SIMPLE elective deferral

Under age 50	\$13,500
Age 50 and over	\$16,500

401(k), 403(b)⁶, 457⁷ and SARSEP elective deferral

Under age 50	\$19,500
Age 50 and over	\$26,000

Annual defined contribution limit

\$57,000

Annual defined benefit limit

\$230,000

Highly compensated employee makes

\$130,000

Key employee in top-heavy plan makes

\$185,000

Annual compensation taken into account for qualified plans

\$280,000

Retirement Tax Credit: A percentage tax credit for an IRA, 401(k), 403(b), or 457 plan contribution, in addition to deduction or exclusion, if:

Married, filing jointly	Below \$65,000 MAGI
Single, HOH	Below \$48,750 MAGI
Single or Married, filing separately	Below \$32,500 MAGI

Maximum qualified longevity annuity contract (QLAC) premium

\$135,000

HEALTHCARE

Eligible Long-Term Care

Age	Deduction Limit
40 or less	\$430
41-50	\$810
51-60	\$1,630
61-70	\$4,350
Over 70	\$5,430

Per diem limitation for LTC benefits \$380

EDUCATION

Coverdell Education Savings Account

Annual contribution limit \$2,000

Contribution eligibility phaseout

Single, HOH, Married filing sep.	\$95,000 – \$110,000
Married, filing jointly	\$190,000 – \$220,000

Student loan interest deduction limit \$2,500

Interest deduction phaseout

Single, HOH, Married filing sep.	\$70,000 – \$85,000 MAGI
Married, filing jointly	\$140,000 – \$170,000 MAGI

Phaseout of Lifetime Learning Credits

Single, HOH, Married filing sep.	\$59,000 – \$67,000
Married, filing jointly	\$118,000 – \$134,000

Tax-free savings bonds interest phaseout

Single, HOH, Married filing sep.	\$82,350 – \$96,100 MAGI
Married, filing jointly	\$123,550 – \$151,600 MAGI

- Head of Household
- Total Employee Medicare Tax is 1.45% + 0.9% = 2.35%.
- Including interest, dividends, capital gains and annuity distributions
- Adjusted Gross Income
- Modified Adjusted Gross Income
- Special increased limit may apply to certain 403(b) contributors with 15 or more years of service.
- In last 3 years prior to year of retirement, 457 plan participant may be able to double elective deferral if needed to catch up on prior missed contributions, but if they do, they cannot use catch up.
- Generation Skipping Transfer

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UNIFORM LIFE EXPECTANCY TABLES

Use to calculate Minimum Required Distributions from IRAs and qualified plans **during** owner's life. Do not use this table if owner has spousal beneficiary more than 10 years younger. Instead use Joint Life Table from IRS Pub. 590.

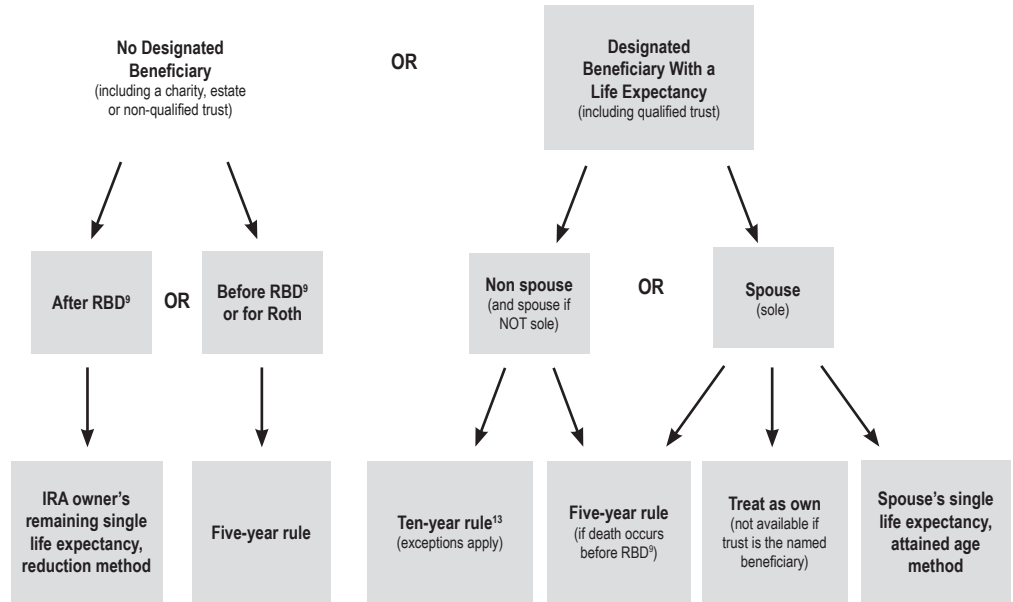
Taxpayer's Age	Life Expectancy	Taxpayer's Age	Life Expectancy
55	41.6	78	20.3
56	40.7	79	19.5
57	39.7	80	18.7
58	38.7	81	17.9
59	37.8	82	17.1
60	36.8	83	16.3
61	35.8	84	15.5
62	34.9	85	14.8
63	33.9	86	14.1
64	33.0	87	13.4
65	32.0	88	12.7
66	31.1	89	12.0
67	30.2	90	11.4
68	29.2	91	10.8
69	28.3	92	10.2
70	27.4	93	9.6
71	26.5	94	9.1
72	25.6	95	8.6
73	24.7	96	8.1
74	23.8	97	7.6
75	22.9	98	7.1
76	22.0	99	6.7
77	21.2	100	6.3

SINGLE LIFE EXPECTANCY TABLE

Use to calculate Minimum Required Distributions from IRAs and qualified plans **after** owner's death. See IRS Pub. 590 for complete table of ages 0 through 111+.

Age	Multiple	Age	Multiple
39	44.6	63	22.7
40	43.6	64	21.8
41	42.7	65	21.0
42	41.7	66	20.2
43	40.7	67	19.4
44	39.8	68	18.6
45	38.8	69	17.8
46	37.9	70	17.0
47	37.0	71	16.3
48	36.0	72	15.5
49	35.1	73	14.8
50	34.2	74	14.1
51	33.3	75	13.4
52	32.3	76	12.7
53	31.4	77	12.1
54	30.5	78	11.4
55	29.6	79	10.8
56	28.7	80	10.2
57	27.9	81	9.7
58	27.0	82	9.1
59	26.1	83	8.6
60	25.2	84	8.1
61	24.4	85	7.6
62	23.5	86	7.1

IRA BENEFICIARY OPTIONS



SOCIAL SECURITY ¹⁰

Maximum wage base	\$137,700
Amount needed to earn one credit	\$1,410
Amount needed to earn four credits	\$5,440
Full retirement age	66 Years, 2 Months
Social Security tax rates + Medicare tax	
Employee (6.2% SS + 1.45% Medicare)	7.65%
Employer (6.2% SS + 1.45% Medicare)	7.65%
Self-Employed (12.4% SS + 2.9% Medicare)	15.30%

Maximum monthly retirement benefit at full retirement age	\$3,011
Cost of living adjustment	1.6%

Maximum earnings (during working years) subject to FICA tax	\$137,700
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Income¹¹ (in retirement) causing Social Security benefits to be taxable¹²

Married, filing jointly	
50% taxable	\$32,000 - \$44,000 MAGI
85% taxable	Over \$44,000 MAGI
Single	
50% taxable	\$25,000 - \$34,000 MAGI
85% taxable	Over \$34,000 MAGI

Estimated Average Monthly Social Security Benefits Payable in January 2020¹² (After COLA)

All Retired Workers	\$1,503
Aged Couple, Both Receiving Benefits	\$2,531
Widowed Mother and Two Children	\$2,934
Aged Widow(er) Alone	\$1,422
Disabled Worker, Spouse and One or More Children	\$2,176
All Disabled Workers	\$1,258

Loss of Social Security retirement benefits: In years prior to full retirement age, \$1 in benefits will be lost for every \$2 of earnings in excess of \$18,240. In the year of full retirement age, \$1 in benefits will be lost for every \$3 of earnings in excess of \$48,600 (applies only to months of earnings prior to full retirement age). There is no limit on earnings beginning the month an individual attains full retirement age.

- RBD defined as "Required Beginning Date," (April 1 following the year a Traditional IRA or Simple IRA holder reached age 72).
- Source: Social Security Administration
- Income is most income including muni bond interest, but only 1/2 of Social Security.
- Source: www.ssa.gov, 1/27/2020
- 10-year rule allows exceptions for: disabled, chronically ill, minor child, individuals not more than 10 years younger than deceased.

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