KEY FINANCIAL DATA 2021

Jim Cavallo
Internet Insurance Man

9 Aviemore Dr
New Rochelle, NY 10804

800-472-5367
james@jamescavallo.com
www.internetinsuranceman.com

2021 Tax Rate Schedule

Taxable income ($)	Base amount of tax ($)	Plus	Marginal tax rate	Of the amount over ($)
Single				
0 to 9,950		+	10.0	
9,951 to 40,525	995.00	+	12.0	9,950.00
40,526 to 86,375	4,664.00	+	22.0	40,525.00
86,376 to 164,925	14,751.00	+	24.0	86,375.00
164,926 to 209,425	33,603.00	+	32.0	164,925.00
209,426 to 523,600	47,843.00	+	35.0	209,425.00
Over 523,600	157,804.25	+	37.0	523,600.00
Married filing jointly and surviving spouses				
0 to 19,900		+	10.0	
19,901 to 81,050	1,990.00	+	12.0	19,900.00
81,051 to 172,750	9,328.00	+	22.0	81,050.00
172,751 to 329,850	29,502.00	+	24.0	172,750.00
329,851 to 418,850	67,206.00	+	32.0	329,850.00
418,851 to 628,300	95,686.00	+	35.0	418,850.00
Over 628,300	168,993.50	+	37.0	628,300.00
Head of household				
0 to 14,200		+	10.0	
14,201 to 54,200	1,420.00	+	12.0	14,200.00
54,201 to 86,350	6,220.00	+	22.0	54,200.00
86,351 to 164,900	13,293.00	+	24.0	86,350.00
164,901 to 209,400	32,145.00	+	32.0	164,900.00
209,401 to 523,600	46,385.00	+	35.0	209,400.00
Over 523,600	156,355.00	+	37.0	523,600.00
Married filing separately				
0 to 9,950		+	10.0	
9,951 to 40,525	995.00	+	12.0	9,950.00
40,526 to 86,375	4,664.00	+	22.0	40,525.00
86,376 to 164,925	14,751.00	+	24.0	86,375.00
164,926 to 209,425	33,603.00	+	32.0	164,925.00
209,426 to 314,150	47,843.00	+	35.0	209,425.00
Over 314,150	84,496.75	+	37.0	314,150.00
Estates and trusts				
0 to 2,650		+	10.0	
2,651 to 9,550	265.00	+	24.0	2,650.00
9,551 to 13,050	1,921.00	+	35.0	9,550.00
Over 13,050	3,146.00	+	37.0	13,050.00

Standard Deductions & Child Tax Credit

Filing status	Standard deduction
Married, filing jointly and qualifying widow(er)s	$25,100
Single or married, filing separately	$12,550
Head of household	$18,800
Dependent filing own tax return	$1,100*
Additional deductions for non-itemizers	
Blind or over 65	Add $1,350
Blind or over 65, unmarried & not a surviving spouse	Add $1,700
Child Tax Credit	
Credit per child under 17	$2,000 ($1,400 refundable)
Income phaseouts begin at AGI of:	$400,000 joint, $200,000 all other

Tax Rates on Long-Term Capital Gains and Qualified Dividends

If taxable income falls below $40,400 (single/married-filing separately), $80,800 (joint), $54,100 (head of household), $2,700 (estates)	0%
If taxable income falls at or above $40,400 (single/married-filing separately), $80,800 (joint), $54,100 (head of household), $2,700 (estates)	15%
If income falls at or above $445,850 (single), $250,800 (married-filing separately), $501,600 (joint), $473,750 (head of household), $13,250 (estates)	20%

3.8% Tax on Lesser of Net Investment Income or Excess of MAGI Over

Married, filing jointly	$250,000
Single	$200,000
Married, filing separately	$125,000

Exemption Amounts for Alternative Minimum Tax**

Married, filing jointly or surviving spouses	$114,600
Single	$73,600
Married, filing separately	$57,300
Estates and trusts	$25,700
28% tax rate applies to income over:	
Married, filing separately	$99,950
All others	$199,900
Exemption amounts phase out at:	
Married, filing jointly or surviving spouses	$1,047,200
Single and married, filing separately	$523,600
Estates and trusts	$85,650

Gift and Estate Tax Exclusions and Credits

Maximum estate, gift & GST rates	40%
Estate, gift & GST exclusions	$11,700,000
Gift tax annual exclusion	$15,000
Exclusion on gifts to non-citizen spouse	$159,000

Education Credits, Deductions, and Distributions

Credit/Deduction/ Account	Maximum credit/ deduction/ distribution	Income phaseouts begin at AGI of:
American Opportunity Tax Credit/Hope	$2,500 credit	$160,000 joint $80,000 all others
Lifetime learning credit	$2,000 credit	$119,000 joint $59,000 all others
Savings bond interest tax-free if used for education	Deduction limited to amount of qualified expenses	$124,800 joint $83,200 all others
Coverdell	$2,000 maximum; not deductible	$190,000 joint $95,000 all others
529 plan (K-12)	$10,000 distribution	None
529 plan (Higher Ed.) †	Distribution limited to amount of qualified expenses	None

Tax Deadlines

January 15 – 4th installment of the previous year's estimated taxes due

April 15 – Tax filing deadline, or request extension to Oct. 15. 1st installment of 2021 taxes due. Last day to file amended return for 2017. Last day to contribute to: Roth or traditional IRA for 2020; HSA for 2020; Keogh or SEP for 2020 (unless tax filing deadline has been extended).

June 15 – 2nd installment of estimated taxes due

September 15 – 3rd installment of estimated taxes due

October 15 – Tax returns due for those who requested an extension. Last day to contribute to SEP or Keogh for 2020 if extension was filed.

December 31 – Last day to: 1) pay expenses for itemized deductions; 2) complete transactions for capital gains or losses; 3) establish a Keogh plan for 2021; 4) establish and fund a solo 401(k) for 2021; 5) complete 2021 contributions to employer-sponsored 401(k) plans; 6) correct excess contributions to IRAs and qualified plans to avoid penalty.

* Greater of $1,100 or $350 plus the individual's earned income.
** Indexed for inflation and scheduled to sunset at the end of 2025.
† $10,000 lifetime 529 distribution can be applied to student loan debt.

Copyright © 2021 Horsesmouth, LLC. All Rights Reserved.
License #: 5139878 Reprint Licensee: Jim Cavallo
Horsesmouth is an independent organization providing unique, unbiased insight into the critical issues facing financial professionals and their clients.
Horsesmouth, LLC is not affiliated with the reprint licensee or any of its affiliates.

Check with your financial professional for updates.

Retirement Plan Contribution Limits

Annual compensation used to determine contribution for most plans	$290,000
Defined-contribution plans, basic limit	$58,000
Defined-benefit plans, basic limit	$230,000
401(k), 403(b), 457(b), Roth 401(k) plans elective deferrals	$19,500
Catch-up provision for individuals 50 and over, 401(k), 403(b), 457(b), Roth 401(k) plans	$6,500
SIMPLE plans, elective deferral limit	$13,500
SIMPLE plans, catch-up contribution for individuals 50 and over	$3,000

Individual Retirement Accounts

IRA type	Contribution limit	Catch-up at 50+	Income limits
Traditional nondeductible	$6,000	$1,000	None
Traditional deductible	$6,000	$1,000	If covered by a plan: $105,000 - $125,000 joint $66,000 - $76,000 single, HOH 0 - $10,000 married filing separately If one spouse is covered by a plan: $198,000 - $208,000 joint
Roth	$6,000	$1,000	$198,000 - $208,000 joint $125,000 - $140,000 single & HOH 0 - $10,000 married filing separately
Roth conversion			No income limit

Health Savings Accounts

Annual limit	Maximum deductible contribution	Expense limits (deductibles and co-pays)	Minimum annual deductible
Individuals	$3,600	$7,000	$1,400
Families	$7,200	$14,000	$2,800
Catch-up for 55 and older	$1,000		

Deductibility of Long-Term Care Premiums on Qualified Policies

Attained age before close of tax year	Amount of LTC premiums that qualify as medical expenses in 2021
40 or less	$450
41 to 50	$850
51 to 60	$1,690
61 to 70	$4,520
Over 70	$5,640

Medicare Deductibles

Part B deductible	$203.00
Part A (inpatient services) deductible for first 60 days of hospitalization	$1,484.00
Part A deductible for days 61-90 of hospitalization	$371.00/day
Part A deductible for more than 90 days of hospitalization	$742.00/day

Social Security

Benefits

Estimated maximum monthly benefit if turning full retirement age (66) in 2021	$3,148
Retirement earnings exempt amounts	$18,960 under FRA $50,520 during year reach FRA No limit after FRA

Tax on Social Security benefits: income brackets

Filing status	Provisional income*	Amount of Social Security subject to tax
Married filing jointly	Under $32,000 $32,000-$44,000 Over $44,000	0 up to 50% up to 85%
Single, head of household, qualifying widow(er), married filing separately and living apart from spouse	Under $25,000 $25,000-$34,000 Over $34,000	0 up to 50% up to 85%
Married filing separately and living with spouse	Over 0	up to 85%

Tax (FICA)

SS tax paid on income up to $142,800	% withheld	Maximum tax payable
Employer pays	6.2%	$8,853.60
Employee pays	6.2%	$8,853.60
Self-employed pays	12.4%	$17,707.20

Medicare tax

Employer pays	1.45%	varies per income
Employee pays	1.45% plus 0.9% on income over $200,000 (single) or $250,000 (joint)	varies per income
Self-employed pays	2.90% plus 0.9% on income over $200,000 (single) or $250,000 (joint)	varies per income

*Provisional income = adjusted gross income (not incl. Social Security) + tax-exempt interest + 50% of Social Security benefit

Medicare Premiums

2019 MAGI single	2019 MAGI joint	Part B Premium	Part D income adjustment
$88,000 or less	$176,000 or less	$148.50	$0
88,001-111,000	176,001-222,000	$207.90	$12.30
111,001-138,000	222,001-276,000	$297.00	$31.80
138,001-165,000	276,001-330,000	$386.10	$51.20
165,001-500,000	330,001-750,000	$475.20	$70.70
Above 500,000	Above 750,000	$504.90	$77.10

Uniform Lifetime Table (partial)

Age of IRA owner or plan participant	Life expectancy (in years)	Age of IRA owner or plan participant	Life expectancy (in years)
70	27.4	86	14.1
71	26.5	87	13.4
72	25.6	88	12.7
73	24.7	89	12.0
74	23.8	90	11.4
75	22.9	91	10.8
76	22.0	92	10.2
77	21.2	93	9.6
78	20.3	94	9.1
79	19.5	95	8.6
80	18.7	96	8.1
81	17.9	97	7.6
82	17.1	98	7.1
83	16.3	99	6.7
84	15.5	100	6.3
85	14.8	101	5.9

Information contained herein is current as of 12/29/20. It is subject to legislative changes and is not intended to be legal or tax advice. Consult a qualified tax advisor regarding specific circumstances. This material is furnished "as is" without warranty of any kind. Its accuracy and completeness is not guaranteed and all warranties expressed or implied are hereby excluded.

Copyright © 2021 Horsesmouth, LLC. All Rights Reserved. Sources: IRS-Rev. Proc. 2020-45, IRS Notice 2020-79, Affordable Care Act, Social Security Administration, Centers for Medicare & Medicaid Services, Misc IRS documents.