

## Updated Numbers for 2021

### Retirement

| Description  | Limit  | Notes   |
|--|--|---|
| Maximum Pre-Tax Deferral<br>401(k), 403(b) and most<br>457 Plans               | \$19,500<br><br>\$6,500 Catch-Up<br>Age 50+            | Election Available to Treat Deferrals as Roth Contributions (No Income Limits)        |
| Maximum Annual Addition for Defined Contribution Plans                         | Lesser of 100% of Income<br>or \$58,000                | Catch-Up is in Addition to Limit: \$58,000 + \$6,500 = \$64,500                       |
| Maximum IRA Contribution<br>(not to exceed earned income)                      | \$6,000<br><br>\$1,000 Catch-Up<br>Age 50+             | Traditional (Deductible or Non-Deductible) or Roth IRA Contributions                  |
| Traditional Deductible IRA<br>AGI Phase-Out Ranges                             | Single or Head of Household:<br>\$66,000 to \$76,000   | Phase-Outs Apply to <i>Active Participants</i> in Employer Sponsored Retirement Plans |
|  | Married Filing Jointly:<br>\$105,000 to \$125,000      |   |
|  | Non-Participant Spouse:<br>\$198,000 to \$208,000      |   |
| Roth IRA Contribution<br>Phase-Out Ranges                                      | Single or Head of Household:<br>\$125,000 to \$140,000 | Roth IRA Conversions:<br>Re-characterizations are no longer permitted                 |
|  | Married Filing Jointly:<br>\$198,000 to \$208,000      |   |
|  | Married Filing Separate:<br>\$0 to \$10,000            |   |
| Maximum Annual Compensation for Defined Benefit and Defined Contribution Plans | \$290,000  |   |
| Maximum Defined Benefit  | Lesser of 100% of Income<br>or \$230,000/year          | Use Highest Consecutive Three Years of Income   |
| SIMPLE Plans:<br>Maximum Deferral  | \$13,500<br><br>\$3,000 Catch-Up<br>Age 50+            | SIMPLE 401(k) and SIMPLE IRA  |
| Maximum Taxable Amount for Social Security OASDI                               | \$142,800  | OASDI: Old Age, Survivors, and Disability Insurance                                   |

## Updated Numbers for 2021: Income Tax

| Column One     | Single Individuals |                |
|----------------|--------------------|----------------|
| Taxable Income | Tax on Column One  | Rate on Excess |
| \$0            | \$0 +              | 10%            |
| \$9,950        | \$995              | 12%            |
| \$40,525       | \$4,664            | 22%            |
| \$86,375       | \$14,751           | 24%            |
| \$164,925      | \$33,603           | 32%            |
| \$209,425      | \$47,843           | 35%            |
| Over \$523,600 | \$157,804.25       | 37%            |

| Column One     | Married Filing Jointly |                |
|----------------|------------------------|----------------|
| Taxable Income | Tax on Column One      | Rate on Excess |
| \$0            | \$0 +                  | 10%            |
| \$19,900       | \$1,990                | 12%            |
| \$81,050       | \$9,328                | 22%            |
| \$172,750      | \$29,502               | 24%            |
| \$329,850      | \$67,206               | 32%            |
| \$418,850      | \$95,686               | 35%            |
| Over \$628,300 | \$168,993.50           | 37%            |

| Column One     | Head of Household |                |
|----------------|-------------------|----------------|
| Taxable Income | Tax on Column One | Rate on Excess |
| \$0            | \$0 +             | 10%            |
| \$14,200       | \$1,420           | 12%            |
| \$54,200       | \$6,220           | 22%            |
| \$86,350       | \$13,293          | 24%            |
| \$164,900      | \$32,145          | 32%            |
| \$209,400      | \$46,385          | 35%            |
| Over \$523,600 | \$156,355         | 37%            |

| Column One     | Married Filing Separate |                |
|----------------|-------------------------|----------------|
| Taxable Income | Tax on Column One       | Rate on Excess |
| \$0            | \$0 +                   | 10%            |
| \$9,950        | \$995                   | 12%            |
| \$40,525       | \$4,664                 | 22%            |
| \$86,375       | \$14,751                | 24%            |
| \$164,925      | \$33,603                | 32%            |
| \$209,425      | \$47,843                | 35%            |
| Over \$314,150 | \$84,496.75             | 37%            |

Standard Deduction: Married Filing Jointly \$25,100, Single and Married Filing Separate \$12,550, Head of Household \$18,800. Additional Standard Deduction for Blind and Age 65+: \$1,350 Married, and \$1,700 Single and Head of Household. Personal exemptions are now zero.

## Updated Numbers for 2021: Social Security

| Description   | Amount  | Notes  |
|---|---|--|
| Maximum Taxable Amount for Social Security OASDI                          | \$142,800<br>[3.7% increase from 2020]  | OASDI: Old Age, Survivors, and Disability Insurance  |
| FICA Tax Rate: OASDI  | 6.2% for both Employee and Employer   | FICA: Federal Insurance Contributions Act  |
| SECA Tax Rate: OASDI  | 6.2% for both Employee and Employer   | SECA: Self Employed Contributions Act. Tax is assessed on net income from self-employment <i>as adjusted</i> |
| Medicare Tax Rate   | 1.45% on <b>all</b> Earned Income for both Employee and Employer  | <b>Additional</b> Medicare Tax of .9% > Thresholds (\$200K/\$250K) on EE                                     |
| Earnings Threshold Prior to Year of Full Retirement Age                   | \$18,960/year<br>\$1,580/month  | \$1 is deducted for every \$2 over threshold   |
| Earnings Threshold During Months Prior to FRA in the year FRA is attained | \$50,520/year<br>\$4,210/month  | \$1 is deducted for every \$3 over the annual threshold in the months prior to month of FRA                  |
| Reduction in Social Security Benefit for Early Retirement                 | 5/9% for each month of early retirement during first three years before FRA; 5/12% for each month more than three years prior to FRA. | Reduction is 20% for first three years, and an additional 5% per year for each of the next two years.        |

### Medicare Part B Monthly Premium

The standard premium amount is \$148.50 per month, but many will pay less, including current beneficiaries. However, if your modified adjusted gross income as reported on your IRS tax return from 2 years ago is above a certain amount, you may pay more.

| If Your Yearly Income in 2019 was |                                 | You pay  |
|-----------------------------------|---------------------------------|----------|
| File Individual Tax Return        | File Joint Tax Return           |          |
| \$88,000 or less                  | \$176,000 or less               | \$148.50 |
| above \$88,001 up to \$111,000    | above \$176,000 up to \$222,000 | \$207.90 |
| above \$111,000 up to \$138,000   | above \$222,000 up to \$276,000 | \$297.00 |
| above \$138,000 up to \$165,000   | above \$276,000 up to \$330,000 | \$386.10 |
| above \$165,000 up to \$500,000   | above \$330,000 up to \$750,000 | \$475.20 |
| \$500,000+                        | \$750,000+                      | \$504.90 |

## Updated Numbers for 2021: Miscellaneous

| Description  | Amount  |              | Notes   |
|--|---|--------------|---|
| Inflation Adjustments:<br><b>Chained</b> Consumer Price Index (C-CPI)  | Applies to income thresholds, deduction amounts and credit values   |              | Not applicable to Social Security or Medicare   |
| Maximum Tax on Long Term Capital Gains And Qualified Dividends         | 15%, unless <i>Taxable Income</i> exceeds \$445,850 Single or \$501,600 Married Filing Joint                      |              | Over Threshold, Maximum Tax is 20% [0% up to \$40.4K/\$80.8K]   |
| Net Investment Income  | 3.8% Tax on Lesser of NII or Excess over MAGI Threshold:<br>Single: \$200,000<br>MFJ: \$250,000<br>MFS: \$125,000 |              | Erroneously called the Medicare tax. Tax is not applied to earned income.   |
| Estate and Gift Tax Applicable Exclusion Amount                        | \$11,700,000 Single<br>\$23,400,000 Couple  |              | Also Applies to Generation Skipping Transfer Tax  |
| Annual Gift Tax Exclusion  | \$15,000  |              | Annual Exclusion for non-US Citizen Spouse is \$159,000   |
| Transfer Tax Rate for Amounts in Excess of Applicable Exclusion Amount | 40%   |              | Deceased Spouse's Unused Exclusion Amount is Portable (Permanent)   |
| Key Employee   | \$185,000   |              | For Top Heavy Plans   |
| Highly Compensated Employee  | \$130,000   |              | For Coverage Rules in Qualified Plans   |
| Social Security Cost of Living Increase                                | 1.3% Increase for 2021  |              | Determined Annually   |
| Eligible Long Term Care Premiums                                       | Attained Age Before Close of Taxable Year   | Dollar Limit | For Individuals, Premiums are an Itemized Deduction. Aggregate Unreimbursed Medical Expenses and Premiums are Subject to a Threshold of 10% of AGI in 2021. |
|  | 40 or Less  | \$450        |   |
|  | >40 to 50   | \$850        |   |
|  | >50 to 60   | \$1,690      |   |
|  | >60 to 70   | \$4,520      |   |
| >70  | \$5,640   |              |   |

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