

2020 ANNUAL LIMITS RELATING TO FINANCIAL PLANNING

2020 Tax Rate Schedule

Taxable Income (\$)	Base Amount of Tax (\$)	Plus	Rate on Excess (%) (also called marginal tax rate or tax bracket)	Of the Amount Over (\$)
SINGLE				
0 to 9,875		+	10	
9,876 to 40,125	987.50	+	12	9,875
40,126 to 85,525	4,617.50	+	22	40,125
85,526 to 163,300	14,605.50	+	24	85,525
163,301 to 207,350	33,217.50	+	32	163,300
207,351 to 518,400	47,367.50	+	35	207,350
Over 518,400	156,235.00	+	37	518,400
MARRIED FILING JOINTLY AND SURVIVING SPOUSES				
0 to 19,750		+	10	
19,751 to 80,250	1,975.00	+	12	19,750
80,251 to 171,050	9,235.00	+	22	80,250
171,051 to 326,600	29,211.00	+	24	171,050
326,601 to 414,700	66,543.00	+	32	326,600
414,701 to 622,050	94,735.00	+	35	414,700
Over 622,050	167,307.50	+	37	622,050
HEAD OF HOUSEHOLD				
0 to 14,100		+	10	
14,101 to 53,700	1,410.00	+	12	14,100
53,701 to 85,500	6,162.00	+	22	53,700
85,501 to 163,300	13,158.00	+	24	85,500
163,301 to 207,350	31,830.00	+	32	163,300
207,351 to 518,400	45,926.00	+	35	207,350
Over 518,400	154,793.50	+	37	518,400
MARRIED FILING SEPARATELY				
0 to 9,875		+	10	
9,876 to 40,125	987.50	+	12	9,875
40,126 to 85,525	4,617.50	+	22	40,125
85,526 to 163,300	14,605.50	+	24	85,525
163,301 to 207,350	33,271.50	+	32	163,300
207,351 to 311,025	47,367.50	+	35	207,350
Over 311,025	83,653.75	+	37	311,025
ESTATES AND TRUSTS				
0 to 2,600		+	10	
2,601 to 9,450	260.00	+	24	2,600
9,451 to 12,950	1,904.00	+	35	9,450
Over 12,950	3,129.00	+	37	12,950

Gift and Estate Tax Exclusions and Credits

Maximum estate, gift & GST rates	40%
Estate, gift & GST tax exclusions	\$11,580,000
Gift tax annual exclusion	\$15,000
Exclusion on gifts to non-citizen spouse	\$157,000

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Standard Deductions & Personal Exemption

Filing Status	Standard Deduction
Married, filing jointly or qualifying widow(er)s	\$24,800
Single or married, filing separately	\$12,400
Head of household	\$18,650
Dependent filing own tax return	\$1,100*
ADDITIONAL DEDUCTIONS FOR NON-ITEMIZERS	
Blind, or older than 65	Add \$1,300
Blind, or older than 65, and also unmarried and not a surviving spouse	Add \$1,650

*Greater of \$1,100 or \$350 plus the individual's earned income.

Tax Rates on Long-Term Capital Gains and Qualified Dividends

If taxable income falls below \$40,000 (single/married-filing separately), \$80,000 (joint), \$53,600 (head of household), \$2,650 (estates)	0%
If taxable income falls at or above \$40,000 (single/married-filing separately), \$80,000 (joint), \$53,600 (head of household), \$2,650 (estates)	15%
If income falls at or above \$441,450 (single), \$248,300 (married-filing separately), \$496,600 (joint), \$469,050 (head of household), \$13,150 (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 AMT**

Married, filing jointly or surviving spouses	\$113,400
Single	\$72,900
Married, filing separately	\$56,700
Estates and Trusts	\$25,400

28% Tax Rate Applies to Income Over:

Married, filing separately	\$98,950
All others	\$197,900

Exemption Amounts Phase Out at:

Married, filing jointly or surviving spouses	\$1,036,800
Single and married, filing separately	\$518,400
Estates and trusts	\$84,800

**Indexed for inflation and scheduled to sunset at the end of 2025.

Standard Mileage Rates

Business Use	57.5¢ per mile	Moving Use	17¢ per mile
Medical Use	17¢ per mile	Charity Use	14¢ per mile

Retirement Plan Contribution Limits

Annual compensation used to determine contribution for most plans	\$285,000
Defined-contribution plans, basic limit	\$57,000
Defined-benefit plans, basic limit	\$230,000
401(k), 403(b), 457(b), Roth 401(k) elective deferrals	\$19,500
Catch-up for 50 and older, 401(k), 403(b), 457(b), Roth 401(k)	\$6,500
SIMPLE plans, elective deferral limit	\$13,500
SIMPLE plans, catch-up for 50 and older	\$3,000

Individual Retirement Accounts

IRA Type	Cont. 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: • \$104,000-\$124,000 joint • \$65,000-\$75,000 single, HOH • 0-\$10,000 married filing separately If one spouse is covered by a plan: • \$195,000-\$205,000 joint
Roth	\$6,000	\$1,000	• \$196,000-\$206,000 joint • \$124,000-\$139,000 single, HOH • 0-\$10,000 married filing separately
Roth Conversion			No income limit

Education Credits & Deductions

Credit/Deduction/Account	Max Credit/Deduction	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	\$118,000 joint \$59,000 all others
Savings bond interest tax-free if used for education	Deduction limited to amount of qualified expenses	\$123,550 joint \$82,350 all others
Coverdell	\$2,000 maximum contribution; 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

Medicare

DEDUCTIBLES

Part B Deductible	\$198
Part A (inpatient services) Deductible for first 60 days of hospitalization	\$1,408
Part A Deductible for days 61-90 of hospitalization	\$352/day
Part A Deductible for more than 90 days of hospitalization	\$704/day

PREMIUMS

2018 MAGI Single (\$)	2018 MAGI Joint (\$)	Part B Premium	Part D Income Adjustment
87,000 or less	174,000 or less	\$144.60	\$0
87,001-109,000	174,001-218,000	\$202.40	\$12.20
109,001-136,000	218,001-272,000	\$289.20	\$31.50
136,001-163,000	272,001-326,000	\$376.00	\$50.70
163,001-500,000	326,001-750,000	\$462.70	\$70.00
Above 500,000	Above 750,000	\$491.60	\$76.40

Social Security

BENEFITS

Estimated maximum monthly benefit if turning full retirement age (66) in 2020	\$3,011
Retirement earnings exempt amounts	\$18,240 under FRA \$48,600 during year reach FRA No limit after FRA

TAX (FICA)

	% Withheld	Max Tax Payable
SS tax paid on income up to \$137,700		
• Employer pays	6.2%	\$8,537.40
• Employee pays	6.2%	\$8,537.40
• Self-employed pays	12.4%	\$17,074.80
Medicare tax paid on all income		
• Employer pays	1.45%	varies per income
• Employee pays	1.45%	varies per income
• Self-employed pays	2.90%	varies per income
	Plus 0.9% on income Over \$200,000 single or \$250,000 joint	
	Plus 0.9% on income Over \$200,000 single or \$250,000 joint	

TAX ON BENEFITS: INCOME BRACKETS

Filing Status	AGI Plus Provisional Income**	Amount of SS Subject to Tax
Married filing jointly	Under \$32,000	0
	\$32,001-\$44,000	up to 50%
	Over \$44,000	up to 85%
Single, head of household, qualifying widow(er), married filing separately and living apart from spouse	Under \$25,000	0
	\$25,001-\$34,000	up to 50%
	Over \$34,000	up to 85%
Married filing separately and living with spouse	Over \$0	up to 85%

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

Protection Planning

DEDUCTIBILITY OF LTC PREMIUMS ON QUALIFIED PLANS

Attained Age Before Close of Tax Year	Amount of LTC Premiums that Qualify as Med. Expenses in 2020
40 or younger	\$430
41 to 50	\$810
51 to 60	\$1,630
61 to 70	\$4,350
Older than 70	\$5,430

HEALTH SAVINGS ACCOUNTS

Annual Limit	Maximum Deductible Contribution	Expense Limits (Deductibles & Co-Pays)	Minimum Annual Deductible
Individuals	\$3,550	\$6,900	\$1,400
Families	\$7,100	\$13,800	\$2,800
Catch-up for 55+	\$1,000		

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