

# 2020 Federal Tax and Contribution Guide

FEDERAL TAX RATE TABLES BY FILING STATUS <sup>1</sup>					
UNMARRIED INDIVIDUALS (other than Surviving Spouses and Head of Household)			MARRIED INDIVIDUALS FILING SEPARATE RETURNS		
If Taxable Income Is:	The Tax Is:		If Taxable Income Is:	The Tax Is:	
Not over \$9,875	10% of taxable income		Not over \$9,875	10% of taxable income	
Over \$9,875 but not over \$40,125	\$987.50 plus 12% of excess over \$9,875		Over \$9,875 but not over \$40,125	\$987.50 plus 12% of excess over \$9,875	
Over \$40,125 but not over \$85,525	\$4,617.50 plus 22% of excess over \$40,125		Over \$40,125 but not over \$85,525	\$4,617.50 plus 22% of excess over \$40,125	
Over \$85,525 but not over \$163,300	\$14,605.50 plus 24% of excess over \$85,525		Over \$85,525 but not over \$163,300	\$14,605.50 plus 24% of excess over \$85,525	
Over \$163,300 but not over \$207,350	\$33,271.50 plus 32% of the excess over \$163,300		Over \$163,300 but not over \$207,350	\$33,271.50 plus 32% of excess over \$163,300	
Over \$207,350 but not over \$518,400	\$47,367.50 plus 35% of excess over \$207,350		Over \$207,350 but not over \$311,025	\$47,367.50 plus 35% of excess over \$207,350	
Over \$518,400	\$156,235 plus 37% excess over \$518,400		Over \$311,025	\$83,653.75 plus 37% of excess over \$311,025	
HEAD OF HOUSEHOLD			MARRIED, FILING JOINTLY, AND SURVIVING SPOUSES		
If Taxable Income Is:	The Tax Is:		If Taxable Income Is:	The Tax Is:	
Not over \$14,100	10% of taxable income		Not over \$19,750	10% of taxable income	
Over \$14,100 but not over \$53,700	\$1,410 plus 12% of excess over \$14,100		Over \$19,750 but not over \$80,250	\$1,975 plus 12% of excess over \$19,750	
Over \$53,700 but not over \$85,500	\$6,162 plus 22% of excess over \$53,700		Over \$80,250 but not over \$171,050	\$9,235 plus 22% of excess over \$80,250	
Over \$85,500 but not over \$163,300	\$13,158 plus 24% of excess over \$85,500		Over \$171,050 but not over \$326,600	\$29,211 plus 24% of excess over \$171,050	
Over \$163,300 but not over \$207,350	\$31,830 plus 32% of excess over \$163,300		Over \$326,600 but not over \$414,700	\$66,543 plus 32% of excess over \$326,600	
Over \$207,350 but not over \$518,400	\$45,926 plus 35% of excess over \$207,350		Over \$414,700 but not over \$622,050	\$94,735 plus 35% of excess over \$414,700	
Over \$518,400	\$154,793.50 plus 37% of excess over \$518,400		Over \$622,050	\$167,307.50 plus 37% of excess over \$622,050	
ESTATES AND TRUSTS			FEDERAL GIFT AND ESTATE TAX <sup>1</sup>		
If Taxable Income Is:	The Tax Is:		Gift tax annual exclusion	\$15,000	*Unused credit may be used by surviving spouse by filing IRS Form 706. <sup>3</sup>
Not over \$2,600	10% of taxable income		Annual exclusion gift to non-citizen spouse	\$157,000	
Over \$2,600 but not over \$9,450	\$260 plus 25% of excess over \$2,600		Maximum estate, gift and GST rate	40%	
Over \$9,450 but not over \$12,950	\$1,904 plus 35% of excess over \$9,450		Unified Estate and Gift Tax Credit Amount	\$11,580,000	
Over \$12,950	\$3,129 plus 37% of excess over \$12,950		Generation Skipping Transfer Tax Exclusion	\$11,580,000	

TAX RATES FOR LONG-TERM CAPITAL GAINS AND QUALIFIED DIVIDENDS <sup>1</sup>					
	Individuals	Married, Filing Jointly, or Surviving Spouse	Head of Household	Married, Filing Separately	Estates and Trusts
0%	\$0 - \$40,000	\$0 - \$80,000	\$0 - \$53,600	\$0 - \$40,000	\$0 - \$2,650
15%	\$40,000 - \$441,450	\$80,000 - \$496,600	\$53,600 - \$469,050	\$40,000 - \$248,300	\$2,650 - \$13,150
20%	Over \$441,450	Over \$496,600	Over \$469,050	Over \$248,300	Over \$13,150
28%	Collectibles	Collectibles	Collectibles	Collectibles	Collectibles

3.8% MEDICARE SURTAX THRESHOLD AMOUNT <sup>2</sup>		STANDARD DEDUCTION <sup>1</sup>		Additional standard deduction for married taxpayers age 65 or older (or who are blind) of \$1,300. For single taxpayers (not a surviving spouse), the additional standard deduction is \$1,650. <sup>1</sup>
Single or Head of Household	\$200,000	Single (Other than Surviving Spouses and HOH)	\$12,400	
Married, Filing Jointly	\$250,000	Married, Filing Jointly, and Surviving Spouses	\$24,800	
Married, Filing Separately	\$125,000	Head of Household	\$18,650	
Estates and Trusts	\$12,950	Married, Filing Separately	\$12,400	



<sup>1</sup>IRS. "Rev. Proc. 2019-44." <https://www.irs.gov/pub/irs-drop/rp-19-44.pdf>

<sup>2</sup>Legal Information Institute. "26 U.S. Code Section 1411. Imposition of Tax." <https://www.law.cornell.edu/uscode/text/26/1411>

<sup>3</sup>IRS. "Estate Tax." <https://www.irs.gov/businesses/small-businesses-self-employed/estate-tax>

<sup>4</sup>Social Security Administration. "Benefits Planner: Retirement - Full Retirement Age." 2019. <https://www.ssa.gov/planners/retire/retirechart.html>

<sup>5</sup>Social Security Administration. "Fact Sheet - 2020 Social Security Changes." <https://www.ssa.gov/news/press/factsheets/colafacts2020.pdf>

<sup>6</sup>Social Security Administration. "Benefit Planner: Income Taxes and Your Social Security Benefit." 2019. <https://www.ssa.gov/planners/taxes.html>

<sup>7</sup>Centers for Medicare & Medicaid Services. "2020 Medicare Parts A & B Premiums and Deductibles." Nov. 8, 2019. <https://www.cms.gov/newsroom/fact-sheets/2020-medicare-parts-b-premiums-and-deductibles>

<sup>8</sup>Myers, Damian A. "IRS Announces HAS and HDHP Limitations for 2020." Proskauer. May 29, 2019. <https://www.erisapracticelcenter.com/2019/05/irs-announces-hsa-and-hdhp-limitations-for-2020/>

<sup>9</sup>IRS. "Rev. Proc. 2019-25." [https://www.irs.gov/irb/2019-22\\_IRB#REV-PROC-2019-25](https://www.irs.gov/irb/2019-22_IRB#REV-PROC-2019-25)

SOCIAL SECURITY	
YEAR OF BIRTH*	FULL RETIREMENT AGE <sup>4</sup>
1943-1954	66
1955	66 and 2 months
1956	66 and 4 months
1957	66 and 6 months
1958	66 and 8 months
1959	66 and 10 months
1960 and later	67
*Individuals born on January 1, refer to the previous year.	
Maximum earning subject to Social Security tax <sup>5</sup>	\$137,700
Social Security and Medicare Payroll Tax <sup>6</sup>	7.65% employee and employer, each 15.3% self-employed
FILING STATUS	Additional 0.9% Medicare tax on earning in excess of:
Single or Head of Household	\$200,000
Married, Filing Jointly	\$250,000
Married, Filing Separately	\$125,000
Filing Status <sup>6</sup>	Provisional Income Thresholds to determine if a portion of the benefit is taxable:
<b>Single or Head of Household</b>	
Up to 50% Taxable	\$25,000 MAGI
Up to 85% Taxable	\$34,000 MAGI
<b>Married, Filing Jointly</b>	
Up to 50% Taxable	\$32,000 MAGI
Up to 85% Taxable	\$44,000 MAGI

INDIVIDUAL RETIREMENT ARRANGEMENTS (IRAS) <sup>8</sup>			
TYPE OF IRA	CONTRIBUTION LIMIT	ADDITIONAL AGE 50+ CATCH-UP	AGI LIMIT
Non-deductible IRA	\$6,000	\$1,000	None
Deductible IRA	\$6,000	\$1,000	If active participant in a qualified plan: \$65,000 - \$75,000 Single or HOH \$104,000 - \$124,000 MFJ \$0 - \$10,000 MFS  If one spouse active participant: \$196,000 - \$206,000 for non-active spouse to contribute
Roth IRA	\$6,000	\$1,000	\$124,000 - \$139,000 Single or HOH \$196,000 - \$206,000 MFJ or qualifying widower \$0 - \$10,000 MFS
Roth Conversion	Unlimited	N/A	No income limit

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MEDICARE PARTS A AND B PREMIUMS AND DEDUCTIBLES <sup>7</sup>	
Standard Part B Premium	\$144.60
Part B Deductible	\$198
Part A inpatient hospital deductible first 60 days	\$1,408
Daily Coinsurance for days 61 - 90	\$352
Daily Coinsurance for lifetime reserve days	\$704
Skilled Nursing Facility Coinsurance	\$176

MEDICARE PART B INCOME-RELATED MONTHLY ADJUSTMENT AMOUNTS <sup>8</sup>			
MAGI SINGLE	MAGI MARRIED, FILING JOINTLY	MAGI MARRIED, FILING SEPARATE	PART B PREMIUM
\$87,000 or less	\$174,000 or less	\$87,000 or less	\$144.60
\$87,000 - \$109,000	\$174,000 - \$218,000	Not Applicable	\$202.40
\$109,000 - \$136,000	\$218,000 - \$272,000	Not Applicable	\$289.20
\$136,000 - \$163,000	\$272,000 - \$326,000	Not Applicable	\$376.00
\$163,000 - \$500,000	\$326,000 - \$750,000	\$87,000 - \$413,000	\$462.70
Greater than \$500,000	Greater than \$750,000	Above \$413,000	\$491.60
<b>Deductibility of LTC Premiums on Qualified Policies permitted as a medical expense (only deductible on medical expenses that exceed 10% of AGI)<sup>1</sup></b>			
AGE AT END OF YEAR		LIMITATION ON PREMIUMS	
Age 40 or less		\$430	
More than age 40, but not more than age 50		\$810	
More than age 50, but not more than age 60		\$1,630	
More than age 60, but not more than age 70		\$4,350	
More than age 70		\$5,430	

RETIREMENT PLAN CONTRIBUTION LIMITS <sup>7</sup>	
Annual compensation limit	\$285,000
Annual benefit maximum for a defined benefit plan	\$230,000
Employee elective deferral for 401(k), 457(b), and 403(b) plans	\$19,500
Age 50 and over catch-up for 401(k), 457(b), and 403(b) plans	\$6,500
Limit on defined contribution plan annual additions	\$57,000
SIMPLE plan elective deferral limit	\$13,500
SIMPLE plan, age 50 and over catch-up	\$3,000

HEALTH SAVINGS ACCOUNTS/HDHP LIMITATIONS <sup>9</sup>	
Maximum HSA Contribution (Employer + Employee)	Self-Only: \$3,550 / Family: \$7,100
Catch-Up Contribution for age 55+	\$1,000
Minimum HDHP Deductible	Self-Only: \$1,400 / Family: \$2,800
HDHP Out-of-Pocket Max	Self-Only: \$6,900 / Family: \$13,800

AGE IN 2020: <sup>5</sup>	EARNED INCOME THRESHOLD
Age 62 and full retirement age	\$18,240 - income above threshold will reduce benefits by \$1 for every \$2 over threshold
In the year of FRA up to the month of FRA	\$48,600 - income above threshold will reduce benefits by \$1 for every \$3 over threshold
Month of FRA and after	No earnings limitation