

## 2020 quick reference

# Contribution limits and tax reference



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FINANCIAL & INSURANCE SERVICES

### Tax-advantaged accounts

#### Traditional IRA

**Under age 50:** \$6,000      **Age 50 and above:** \$7,000\*

#### Phase-out ranges for IRA contribution deductibility for individuals covered by an employer plan:

Married, filing jointly or qualifying widow(er)      \$104,000 – \$124,000 MAGI†

Married, filing separately      \$0 – \$10,000 MAGI

Single or head of household      \$65,000 – \$75,000 MAGI

*Full deduction is permitted below phase-out range, scaled partial deduction is permitted within range and no deduction is permitted above range.*

Taxpayers can instruct the IRS to directly deposit their tax refund into their IRA. Current contribution limits apply.

#### Roth IRA

**Under age 50:** \$6,000      **Age 50 and above:** \$7,000\*

#### Phase-out ranges for Roth contribution eligibility:

Married, filing jointly      \$196,000 – \$206,000 MAGI

Married, filing separately      \$0 – \$10,000 MAGI

Single or head of household      \$124,000 – \$139,000 MAGI

*Full contribution is permitted below phase-out range, scaled partial contribution is permitted within range and no contribution is permitted above range.*

#### SEP IRA

- Up to the lesser of \$57,000 or 25% of eligible compensation with a \$285,000 compensation cap per employee.
- Minimum of \$600 in compensation required to participate in SEP.

#### SIMPLE IRA

**Under age 50:** \$13,500      **Age 50 and above:** \$16,500†

#### 401(k), 403(b), 457<sup>§</sup>, SARSEP

**Under age 50:** \$19,500      **Age 50 and above:** \$26,000<sup>||</sup>

#### Uni-k Plans

**Under age 50:** \$19,500      **Age 50 and above:** \$26,000<sup>||</sup>

Plus an additional 25% of income as defined by the plan, or approximately 20% of your self employment income. Total contributions to a participant's account, not counting catch-up contributions for those age 50 and over, cannot exceed \$57,000.

#### Defined benefit plan

\$230,000

*For a participant who separated from service before January 1, 2020, the limitation for defined benefit plans under Section 415(b)(1)(B) is computed by multiplying the participant's compensation limitation, as adjusted through 2019, by 1.0176.*

### Education accounts

#### 529 college savings account

No age or income restrictions for contributions or beneficiaries.

	Annual single contribution <sup>#</sup> per beneficiary	Five-year contribution made in a single year <sup>**</sup> per beneficiary
Single	\$15,000	\$75,000
Married, filing jointly	\$30,000	\$150,000

*Tax-free treatment applies to withdrawals used to pay for qualified higher-education expenses. The Pension Protection Act of 2006 made this benefit permanent. The earnings portion of withdrawals used for non-qualified expenses continue to be subject to federal income taxes plus an additional 10% tax penalty and may be subject to state income or other taxes.*

*Beginning in 2018, 529 plans can be used to pay up to \$10,000 in tuition expenses at elementary or secondary public, private or parochial schools.*

#### Coverdell education savings account

Beneficiaries under age 18 and special-need beneficiaries of any age: \$2,000

#### Phase-out ranges:

Single      \$95,000 – \$110,000 MAGI  
Married, filing jointly      \$190,000 – \$220,000 MAGI

\*Includes \$1,000 "catch-up." †Modified adjusted gross income (MAGI) is found by taking adjusted gross income (AGI) and adding back certain items such as foreign income, foreign-housing deductions, student-loan deductions, IRA-contribution deductions and deductions for higher-education costs. ‡Includes \$3,000 "catch-up." §If the plan provides, a special "catch-up" limit may apply. ||Includes \$6,500 "catch-up." #Contributions are completed gifts subject to the annual gift-tax exclusion and are removed from the contributor's federal estate. \*\*Under a special rule, contributions of \$75,000 (\$150,000 for married, filing jointly) can be made in one year and prorated over a five-year period without incurring gift taxes or reducing your unified estate and gift tax credit. If the contributor dies before the five-year prorating period expires, the contributions allocated to the remaining years move back into the contributor's taxable estate. Any appreciation on the entire original gift is not considered part of the estate.

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## Federal tax brackets

### Married, filing jointly (and surviving spouses)

Taxable income	Tax rate
\$0-\$19,750	10% of the taxable income
\$19,750-\$80,250	\$1,975 plus 12% of the excess over \$19,750
\$80,250-\$171,050	\$9,235 plus 22% of the excess over \$80,250
\$171,050-\$326,600	\$29,211 plus 24% of the excess over \$171,050
\$326,600-\$414,700	\$66,543 plus 32% of the excess over \$326,600
\$414,700-\$622,050	\$94,735 plus 35% of the excess over \$414,700
Over \$622,050	\$167,307.50 plus 37% of the excess over \$622,050

### Married, filing separate returns

Taxable income	Tax rate
\$0-\$9,875	10% of the taxable income
\$9,875-\$40,125	\$987.50 plus 12% of the excess over \$9,875
\$40,125-\$85,525	\$4,617.50 plus 22% of the excess over \$40,125
\$85,525-\$163,300	\$14,605.50 plus 24% of the excess over \$85,525
\$163,300-\$207,350	\$33,271.50 plus 32% of the excess over \$163,300
\$207,350-\$311,025	\$47,367.50 plus 35% of the excess over \$207,350
Over \$311,025	\$83,653.75 plus 37% of the excess over \$311,025

### Single (other than surviving spouses and heads of households)

Taxable income	Tax rate
\$0-\$9,875	10% of the taxable income
\$9,875-\$40,125	\$987.50 plus 12% of the excess over \$9,875
\$40,125-\$85,525	\$4,617.50 plus 22% of the excess over \$40,125
\$85,525-\$163,300	\$14,605.50 plus 24% of the excess over \$85,525
\$163,300-\$207,350	\$33,271.50 plus 32% of the excess over \$163,300
\$207,350-\$518,400	\$47,367.50 plus 35% of the excess over \$207,350
Over \$518,400	\$156,235 plus 37% of the excess over \$518,400

### Head of household

Taxable income	Tax rate
\$0-\$14,100	10% of the taxable income
\$14,100-\$53,700	\$1,410 plus 12% of the excess over \$14,100
\$53,700-\$85,500	\$6,162 plus 22% of the excess over \$53,700
\$85,500-\$163,300	\$13,158 plus 24% of the excess over \$85,500
\$163,300-\$207,350	\$31,830 plus 32% of the excess over \$163,300
\$207,350-\$518,400	\$45,926 plus 35% of the excess over \$207,350
Over \$518,400	\$154,793.50 plus 37% of the excess over \$518,400

### Estates and trusts

Taxable income	Tax rate
\$0-\$2,600	10% of the taxable income
\$2,600-\$9,450	\$260 plus 24% of the excess over \$2,600
\$9,450-\$12,950	\$1,904 plus 35% of the excess over \$9,450
Over \$12,950	\$3,129 plus 37% of the excess over \$12,950

### Long-term capital gains rate

	0%	15%	20%
Married, filing jointly	\$0-\$80,000	\$80,000-\$496,600	Over \$496,600
Married, filing separately	\$0-\$40,000	\$40,000-\$248,300	Over \$248,300
Single	\$0-\$40,000	\$40,000-\$441,450	Over \$441,450
Head of household	\$0-\$53,600	\$53,600-\$469,050	Over \$469,050
Estates and trusts	\$0-\$2,650	\$2,650-\$13,150	Over \$13,150

### Gift tax exclusions

Annual exclusion	\$15,000
Lifetime exemption	\$11.58 million

### Standard deductions<sup>†</sup>

Married, filing jointly	\$24,800
Married, filing separately	\$12,400
Single	\$12,400
Head of household	\$18,650

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Source: Internal Revenue Service. <sup>†</sup>The additional standard deduction amount for the aged or the blind is \$1,300. These amounts are increased to \$1,650 if the individual is also unmarried and not a surviving spouse.

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