

2025 Tax Guide

Retirement Plan Contribution Limits - catch up age 50+			
Annual compensation used to determine contribution for most plans			\$350,000
Defined contribution plans, basic limit			\$70,000
Defined benefit plans, basic limit			\$280,000
401(k) / 403(b) / 457(b) / Roth 401(k) plans - elective deferrals			\$23,500
401(k) / 403(b) / 457(b) / Roth 401(k) plans - catch-up 50+ / 60-63			\$7,500 / \$11,250
SIMPLE plans - elective deferrals			\$16,500
SIMPLE plans - catch-up at 50+ / 60-63			\$3,500 / \$5,250
Max ESOP balance subject to 5 year distribution period			\$1,415,000
Individual Retirement Accounts - catch up age 50+			
IRA type	Contribution limit	Catch-up	Phaseouts (AGI)
Traditional Nondeductible	\$7,000	\$1,000	No Income Limit
Traditional Deductible	\$7,000	\$1,000	If covered by qualified plan:
			MFJ - \$126,000 to \$146,000
			Single & HOH - \$79,000 to \$89,000 MFS - \$0 to \$10,000
Roth	\$7,000	\$1,000	If one spouse covered by a plan:
			MFJ - \$236,000 to \$246,000
			MFJ - \$236,000 to \$246,000 Single & HOH - \$150,000 to \$165,000 MFS - \$0 to \$10,000
Roth conversion			No Income Limit
Medicare Premiums & Deductibles			
Part B premium			\$185.00
Part B deductible			\$257.00
Part A (inpatient services) deductible < 61 days of hospitalization			\$1,676.00 per benefit period
Part A deductible 61 - 90 days of hospitalization			\$419.00 per day
Part A deductible > 90 days of hospitalization			\$838.00 per day
Part B / Part D Premiums for High-Income Taxpayers			
2023 MAGI Single *	2023 MAGI MFJ *	Part B	Part D
\$106,000 or less	\$212,000 or less	\$185.00	\$0.00
\$106,001 to \$133,000	\$212,001 to \$265,000	\$256.90	\$13.30
\$133,001 to \$166,000	\$265,001 to \$332,000	\$364.90	\$34.30
\$166,001 to \$199,000	\$332,001 to \$398,000	\$472.80	\$55.40
\$199,001 to \$500,000	\$398,001 to \$750,000	\$581.00	\$76.50
above \$500,000	above \$750,000	\$617.00	\$83.50

* Can be appealed if a life-altering event occurs, use Form SSA-44.

Social Security Benefits		Social Security Full Retirement Age (FRA)			
Initiate benefits at	Max monthly benefit	Year of Birth	FRA	% at age 62	% at age 70
At age 62	\$2,831	1943-1954	66	75.00%	132.00%
FRA	\$4,018	1955	66 + 2 mo.	74.17%	130.67%
At age 70	\$5,018	1956	66 + 4 mo.	73.33%	129.33%
		1957	66 + 6 mo.	72.50%	128.00%
Retirement earnings exempt amounts	\$23,400 under FRA	1958	66 + 8 mo.	71.67%	126.67%
	\$62,160 in yr. reach FRA	1959	66 + 10 mo.	70.83%	125.33%
	no limit after FRA	1960 or later	67	70.00%	124.00%
Taxation of Benefits		AGI + provisional income **		Taxable portion	
MFJ		under \$32,000			0%
		\$32,000 to \$44,000			up to 50%
		over \$44,000			up to 85%
Single / HOH / MFS (living apart from spouse)		under \$25,000			0%
		\$25,000 to \$34,000			up to 50%
		over \$34,000			up to 85%
MFS (living w/ spouse)		over \$0			up to 85%
Payroll Taxes - Social Security paid on income to \$176,100 / Medicare on all income					
Tax (FICA)	% withheld	Max tax payable			
Employer pays	6.20%	\$10,918.20			
Employee pays	6.20%	\$10,918.20			
Self-employed pays	12.40%	\$21,836.40			
Medicare tax *					
Employer pays	1.45%	varies per income			
Employee pays	1.45%	varies per income			
Self-employed pays	2.90%	varies per income			
You Can Work and Receive Social Security Benefits					
If you are	You can make up to	If you make more, some benefits will be withheld			
Before FRA in 2025	\$23,400 (\$1,950/m)	\$1 for every \$2			
Turning FRA in 2025	\$62,160 (\$5,180/m)	\$1 for every \$3			
Month you attain FRA	no limit	no limit			
Deductibility of LTC Insurance Premiums on Qualified Policies					
Attained age before close of tax year / Amount of LTC premiums that qualify as medical expense					
under 40 / \$480		51 to 60 / \$1,800	over 70 / \$6,010		
41 to 50 / \$905		61 to 70 / \$4,810			
Health Savings Accounts - catch up age 55+					
Household	Max deductible contrib.	Deductible/Co-pay limits		Min deductible	
Individuals	\$4,300	\$8,300		\$1,650	
Families	\$8,550	\$16,600		\$3,300	
Catch-up	\$1,000	-		-	

* Additional 0.9% for wages exceeding \$200,000 (Single) and \$250,000 (MFJ).

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

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2025 Tax Rate Schedule						
Taxable income			Base amount of tax		Marginal tax rate	Of the amount over
Single						
\$0	to	\$11,925	\$0.00	+	10.0%	\$0
\$11,926	to	\$48,475	\$1,192.50	+	12.0%	\$11,925
\$48,476	to	\$103,350	\$5,578.50	+	22.0%	\$48,475
\$103,351	to	\$197,300	\$17,651.00	+	24.0%	\$103,350
\$197,301	to	\$250,525	\$40,199.00	+	32.0%	\$197,300
\$250,526	to	\$626,350	\$57,231.00	+	35.0%	\$250,525
	over	\$626,350	\$188,769.75	+	37.0%	\$626,350
Married Filing Joint (MFJ) / Surviving Spouses						
\$0	to	\$23,850	\$0.00	+	10.0%	\$0
\$23,851	to	\$96,950	\$2,385.00	+	12.0%	\$23,850
\$96,951	to	\$206,700	\$11,157.00	+	22.0%	\$96,950
\$206,701	to	\$394,600	\$35,302.00	+	24.0%	\$206,700
\$394,601	to	\$501,050	\$80,398.00	+	32.0%	\$394,600
\$501,051	to	\$751,600	\$114,462.00	+	35.0%	\$501,050
	over	\$751,600	\$202,154.50	+	37.0%	\$751,600
Head of Household (HOH)						
\$0	to	\$17,000	\$0.00	+	10.0%	\$0
\$17,001	to	\$64,850	\$1,700.00	+	12.0%	\$17,000
\$64,851	to	\$103,350	\$7,442.00	+	22.0%	\$64,850
\$103,351	to	\$197,300	\$15,912.00	+	24.0%	\$103,350
\$197,301	to	\$250,500	\$38,460.00	+	32.0%	\$197,300
\$250,501	to	\$626,350	\$55,484.00	+	35.0%	\$250,500
	over	\$626,350	\$187,031.50	+	37.0%	\$626,350
Married Filing Separately (MFS)						
\$0	to	\$11,925	\$0.00	+	10.0%	\$0
\$11,926	to	\$48,475	\$1,192.50	+	12.0%	\$11,925
\$48,476	to	\$103,350	\$5,578.50	+	22.0%	\$48,475
\$103,351	to	\$197,300	\$17,651.00	+	24.0%	\$103,350
\$197,301	to	\$250,525	\$40,199.00	+	32.0%	\$197,300
\$250,526	to	\$375,800	\$57,231.00	+	35.0%	\$250,525
	over	\$375,800	\$101,077.25	+	37.0%	\$375,800
Estates & Trusts						
\$0	to	\$3,150	\$0.00	+	10.0%	\$0
\$3,151	to	\$11,450	\$315.00	+	24.0%	\$3,150
\$11,451	to	\$15,650	\$2,307.00	+	35.0%	\$11,450
	over	\$15,650	\$3,777.00	+	37.0%	\$15,650

Standard Deductions & Personal Exemptions		
Filing Status	Standard Deduction	Exemption Phaseouts
Joint	\$30,000	N/A
Single or MFS	\$15,000	N/A
HOH	\$22,500	N/A
Dependent filing own tax return	\$1,350*	N/A
Additional deductions for non-itemizers		
Blind or over 65	add \$1,600 each	
Blind or over 65, unmarried & not a surviving spouse	add \$2,000 each	
Gift & Estate Tax Exclusions & Credit		
Maximum estate, gift & GST rates	40%	
Estate, gift & GST exclusions	\$13,990,000	
Gift tax annual exclusion	\$19,000	
AMT Exemptions & Phaseouts		
Filing status	Exemption	Income phaseout threshold
MFJ / Qualifying widow(er)	\$137,000	\$1,252,700
Single & HOH	\$88,100	\$626,350
MFS	\$68,500	\$626,350
Tax Rates on Capital Gains & Qualified Dividends (Using Taxable Income)		
Assets held < 1 year		Marginal Rate
Below \$48,350 - Single/MFS / \$96,700 - MFJ / \$64,750 - HOH / \$3,150 - Trusts/Estates		0%
At or above \$48,350 - Single/MFS / \$96,700 - MFJ / \$64,750 - HOH / \$3,150 - Trusts/Estates		15%
At or above \$533,400 - Single / \$300,000 - MFS / \$600,050 - MFJ / \$566,700 - HOH / \$15,650 - Trusts/Estates		20%
Unrecaptured Code Section 1250 property		25%
Collectibles		28%
Education Credits / Deductions / Distributions		
Credit / Deduction / Account	Maximum credit /	Income phaseouts begin at AGI:
American Opportunity Tax Credit	\$2,500 credit	\$160,000 to \$180,000 MFJ \$80,000 to \$90,000 all others
Lifetime Learning Credit	\$2,000 credit	\$160,000 to \$180,000 MFJ \$80,000 to \$90,000 all others
Student loan interest deduction	\$2,500 deduction	\$170,000 to \$200,000 MFJ \$80,000 to \$90,000 all others
Savings bond interest tax-free if used for education deduction	limited to amount of qualified expenses	\$149,250 to \$179,250 MFJ \$99,500 to \$114,500 all others
Coverdell	\$2,000 maximum contribution (nondeductible)	\$190,000 to \$220,000 MFJ \$95,000 to \$110,000 all others
529 Plan (K-12)	\$10,000 distribution	none
529 plan (Higher Ed.) **	limited to amount of qualified expenses	none
Kiddie Tax		
Dependent children < age 19 (< 24 for full-time students) pay federal income tax at a rate equal to that of their parents' marginal tax rate on unearned income— including capital gain distributions, dividends, and interest income > \$2,700.		

* Greater of \$1,350 or \$450 plus the individual's earned income.

** \$10,000 lifetime 529 distribution can be applied to student loan debt.

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Individual Tax Rates									
Single					Married Filing Joint				
Taxable Income	Ordinary Income	Capital Gains & Dividends	Affordable Health Care Act		Taxable Income	Ordinary Income	Capital Gains & Dividends	Affordable Health Care Act	
			Earned Income	Investment Income**				Earned Income	Investment Income**
\$0 to \$11,925	10%	0%	0%	0%	\$0 to \$23,850	10%	0%	0%	0%
\$11,926 to \$48,350	12%				\$23,851 to \$96,700	12%			
\$48,351 to \$48,475	22%				\$96,701 to \$96,950	22%			
\$48,476 to \$103,350		\$96,951 to \$206,700							
\$103,351 to \$197,300	24%	15%	0%	0%	\$206,701 to \$250,000	24%	15%	0%	0%
\$197,301 to \$200,000	32%				\$250,001 to \$394,600	32%			
\$200,001 to \$250,525					\$394,601 to \$501,050				
\$250,526 to \$533,400	35%	0.9%	0.9%	3.8%*	\$501,051 to \$600,050	35%	0.9%	3.8%*	3.8%*
\$533,401 to \$626,350	20%				\$600,051 to \$751,600	20%			
over \$626,350		37%					over \$751,600	37%	

*3.8% tax is only imposed on modified adjusted gross income (MAGI) in excess of the \$200,000 (\$250,000 joint) threshold

** Investment income for purposes of 3.8% tax = dividends / interest / capital gains / non-qualified annuity distributions / royalties / rents / passive income (NOT qualified retirement distributions)

Miscellaneous Items		
Tax Limits	2025	
Gift tax annual exclusion	\$19,000	
Estate tax exemption	\$13,990,000 + DSUEA *	
Top federal estate tax bracket	40%	
IRA distributions direct to charity / QCDs (over age 70.5)	\$108,000	
IRA / Roth IRA contribution limit	\$7,000	
Catch-up provisions for individuals 50+	\$1,000	
Health Savings Account contribution limit (Individual / Family)	\$4,300 / \$8,550	
Catch-up provisions for individuals 55+	\$1,000	
Phaseout Items	Single	Joint
Itemized deduction phaseout	N/A	N/A
Personal exemption phaseout	N/A	N/A
Deductible IRA contribution phaseout (qualified plan)	\$79,000 to \$89,000	\$126,000 to \$163,000
If one spouse covered by a plan	\$230,000 to \$240,000	
Roth IRA contribution phaseout	\$150,000 to \$165,000	\$236,000 to \$246,000
AMT exemption	\$88,100	\$137,000
Part B / Part D Premiums begin to increase with MAGI over	\$106,000	\$212,000

* Basic exclusion amount plus deceased spousal unused exclusion amount (DSUEA) -- exclusion is portable for 2011 onward

Retirement Plan Contribution Limits				
Plan	Limit			
Defined contribution plan aggregate limit	\$70,000			
401(k) / 403(b) / 457(b) / Roth 401(k) plans	\$23,500			
Catch-up provision for individuals 50+ / 60-63	\$7,500 / \$11,250			
SIMPLE plans	\$16,500			
Catch-up provision for individuals 50+ / 60-63	\$3,500 / \$5,250			
Estates & Trusts				
Income	Base amount	Rate	Of amount over	
0 to \$3,150	\$0	10%	\$0	
\$3,151 to \$11,450	\$315	24%	\$3,150	
\$11,451 to \$15,650	\$2,307	35%	\$11,450	
over \$15,651 *	\$3,777	37%	\$15,650	
Short (Sold) Options				
Put/Call Action	Taxable Amount		Taxation (long/short)	
Option expires worthless	Premium		Short	
Option is closed	Net gain / loss of closing		Short	
Call option assigned	Premium (+) strike price (-) security basis		Short or long **	

* Investment income > \$15,651 subject to additional 3.8% surtax

** Underlying security held: > 1 year is **long** term gain / loss | held < 1 year is **short** term gain / loss