

2021 tax year: IRS tax and retirement contribution guide

Income tax

Filing status	Taxable income	The tax is	of the amount over
Single	Not more than \$9,950	10%	
	\$9,951–\$40,525	\$995.00 + 12%	\$9,950
	\$40,526–\$86,375	\$4,664.00 + 22%	\$40,525
	\$86,376–\$164,925	\$14,751.00 + 24%	\$86,375
	\$164,926–\$209,425	\$33,603.00 + 32%	\$164,925
	\$209,426–\$523,600	\$47,843.00 + 35%	\$209,425
	\$523,601 or more	\$157,804.25 + 37%	\$523,600
Married filing jointly	Not more than \$19,900	10%	
	\$19,901–\$81,050	\$1,990.00 + 12%	\$19,900
	\$81,051–\$172,750	\$9,328.00 + 22%	\$81,050
	\$172,751–\$329,850	\$29,502.00 + 24%	\$172,750
	\$329,851–\$418,850	\$67,206.00 + 32%	\$329,850
	\$418,851–\$628,300	\$95,686.00 + 35%	\$418,850
	\$628,301 or more	\$168,993.50 + 37%	\$628,300
Head of household	Not more than \$14,200	10%	
	\$14,201–\$54,200	\$1,420.00 + 12%	\$14,200
	\$54,201–\$86,350	\$6,220.00 + 22%	\$54,200
	\$86,351–\$164,900	\$13,293.00 + 24%	\$86,350
	\$164,901–\$209,400	\$32,145.00 + 32%	\$164,900
	\$209,401–\$523,600	\$46,385.00 + 35%	\$209,400
	\$523,601 or more	\$156,355.00 + 37%	\$523,600
Married filing separately	Not more than \$9,950	10%	
	\$9,951–\$40,525	\$995.00 + 12%	\$9,950
	\$40,526–\$86,375	\$4,664.00 + 22%	\$40,525
	\$86,376–\$164,925	\$14,751.00 + 24%	\$86,375
	\$164,926–\$209,425	\$33,603.00 + 32%	\$164,925
	\$209,426–\$314,150	\$47,843.00 + 35%	\$209,425
	\$314,151 or more	\$84,496.75 + 37%	\$314,150

Taxation of children (kiddie tax)

Not more than \$1,100	0%
Earned income greater than \$1,100	Child's tax rate
Unearned income* greater than \$1,100 but less than \$2,200	Child's tax rate
Unearned income greater than \$2,200	Generally, the parent's highest marginal tax rate

*For a child under the age of 19 (or a full-time student under the age of 24) as of the end of the year.

Standard deduction and personal exemption

Filing status	Standard deduction	Personal and dependency exemption
Single	\$12,550	Eliminated
Married filing jointly	\$25,100	Eliminated
Married filing separately	\$12,550	Eliminated
Head of household	\$18,800	Eliminated
Dependent who can be claimed by another taxpayer	The greater of \$1,100 or the sum of \$350 plus the individual's earned income	

Investment taxes

Single	Married filing jointly	Married filing separately	Head of household	Tax rate
Long-term capital gains and qualified dividends tax (thresholds for taxable income)				
Up to \$40,400	Up to \$80,800	Up to \$40,400	Up to \$54,100	0%
\$40,401 up to \$445,850	\$80,801 up to \$501,600	\$40,401 up to \$250,800	\$54,101 up to \$473,750	15%
More than \$445,850	More than \$501,600	More than \$250,800	More than \$473,750	20%
Net investment income tax (MAGI thresholds)				
More than \$200,000	More than \$250,000	More than \$125,000	More than \$200,000	3.8%*

*The 3.8% net investment income tax (also known as the Medicare surtax) applies to the lesser of net investment income or modified adjusted gross income (MAGI) exceeding the thresholds shown above. This tax doesn't apply to municipal bond interest, qualified retirement plan withdrawals, or IRA withdrawals.

Estate planning

Annual gift tax exclusion	\$15,000
Top gift, estate, and generation-skipping transfer (GST) tax rate	40%
Gift tax and estate tax applicable exclusion amount	\$11,700,000 + DSUEA*
GST tax exemption	\$11,700,000**

* Basic exclusion amount plus deceased spousal unused exclusion amount (DSUEA). Exclusion is portable.

**The GST tax exemption is not portable.

Alternative minimum tax (AMT)

	Maximum exemption amount	Exemption phaseout threshold
Single or head of household	\$73,600	\$523,600
Married filing jointly	\$114,600	\$1,047,200
Married filing separately	\$57,300	\$523,600

Note: The AMT is levied at two rates: 26% and 28%. A 28% rate applies to AMT income in excess of \$199,900 for all taxpayers (\$99,950 if married filing separately).

Roth IRA phaseout ranges

Filing status	Income range
Single or head of household	\$125,000–\$140,000
Married, filing jointly	\$198,000–\$208,000
Married, filing separately*	\$0–\$10,000

*If you and your spouse didn't live together during the taxable year, your filing status will be viewed as single for Roth IRA contribution purposes.

Contribution and out-of-pocket limits for Health Savings Accounts (HSA) and High-Deductible Health Plans (HDHP)

HSA contribution limit*	Individual: \$3,600; Family: \$7,200
HDHP minimum deductibles	Individual: \$1,400; Family: \$2,800
HDHP maximum out-of-pocket amounts	Individual: \$7,000; Family: \$14,000

*Plus \$1,000 per year if age 55 or older.

Flexible Spending Account (FSA) limits

Health FSA maximum election	\$2,750
Dependent care FSA maximum election	\$5,000

IRA contribution and deduction limits if covered by a retirement plan at work

If your filing status is ...	And your MAGI is ...	Then you can take ...
single or head of household	less than \$66,000	a full deduction up to the amount of your contribution limit
	\$66,000 or more but less than \$76,000	a partial deduction
	\$76,000 or more	no deduction
married filing jointly or qualifying widow(er)	less than \$105,000	a full deduction up to the amount of your contribution limit
	\$105,000 or more but less than \$125,000	a partial deduction
	\$125,000 or more	no deduction
married filing separately	less than \$10,000	a partial deduction
	\$10,000 or more	no deduction

Note: If you file separately and did not live with your spouse at any time during the year, your IRA deduction is determined under the single filing status.

Uniform Lifetime Table for calculating required minimum distribution

Your age	Life expectancy factor	Your age	Life expectancy factor
70	27.4	82	17.1
71	26.5	83	16.3
72	25.6	84	15.5
73	24.7	85	14.8
74	23.8	86	14.1
75	22.9	87	13.4
76	22.0	88	12.7
77	21.2	89	12.0
78	20.3	90	11.4
79	19.5	91	10.8
80	18.7	92	10.2
81	17.9	93	9.6

Note: This is an excerpt of the IRS table. For the complete IRS Uniform Lifetime Table, refer to IRS Publication 590-B, available on the IRS website. If your spouse is more than ten years younger than you and is the sole primary beneficiary, you must use the Joint Life and Last Survivor Expectancy Table.

Contribution limits for retirement

Maximum ...	
annual IRA contribution (under age 50)	\$6,000
annual IRA contribution (age 50 or older)	\$7,000
annual 401(k), 403(b), and most 457 salary-deferral limit (under age 50)	\$19,500
annual 401(k), 403(b), and most 457 salary-deferral limit (age 50 or older)*	\$26,000
annual additions limit under defined contribution plan	\$58,000
includable compensation for computing contributions	\$290,000
SIMPLE salary-deferral limit (under age 50)	\$13,500
SIMPLE salary-deferral limit (age 50 or older)	\$16,500
Minimum ...	
annual compensation for determining a highly compensated employee (used in 401(k) nondiscrimination tests and based on the preceding year's compensation)	\$130,000
annual compensation amount for SEP participation	\$650

*Only 457(b) plans of state and local governments may allow catch-up contributions for participants who are age 50 or older. Some plans also allow special 457(b) catch-up contributions. Refer to plan details for further information.

Social Security

	Tax rate
Employee	7.65%
Self-employed	15.30%

Note: The 7.65% tax rate is the combined rate for Social Security and Medicare. The Social Security portion (Old-Age, Survivors, and Disability Insurance; or OASDI) is 6.20% on earnings up to the applicable taxable maximum amount (see below). The Medicare portion (high income, or HI) is 1.45% on all earnings. Also, as of January 2013, individuals with earned income of more than \$200,000 (\$250,000 for married couples filing jointly) pay an additional 0.9% in Medicare taxes. The tax rates shown above do not include the 0.9%.

	Maximum taxable earnings
Social Security (OASDI only)	\$142,800
Medicare (HI only)	No limit

Retirement earnings test exempt amounts:	
Under full retirement age	\$18,960/yr. (\$1,580/mo.)

Note: One dollar in benefits will be withheld for every \$2 in earnings above the limit.

The year an individual reaches full retirement age	\$50,520/yr. (\$4,210/mo.)
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Note: Applies only to earnings for months prior to attaining full retirement age. One dollar in benefits will be withheld for every \$3 in earnings above the limit.

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