

2022 Tax Facts

ORDINARY TAX RATES AND BRACKETS

| | Taxable Income | Pay | % on excess | Of the amount over: |
|---------------------------------------|-------------------|------------|-------------|---------------------|
| Single | \$0 - 10,275 | \$0 | 10% | \$0 |
| | 10,276 - 41,775 | 1,027.50 | 12 | 10,275 |
| | 41,776 - 89,075 | 4,807.50 | 22 | 41,775 |
| | 89,076 - 170,050 | 15,213.50 | 24 | 89,075 |
| | 170,051 - 215,950 | 34,647.50 | 32 | 170,050 |
| | 215,951 - 539,900 | 49,335.50 | 35 | 215,950 |
| | 539,901+ | 162,718 | 37 | 539,900 |
| Married Filing Jointly | \$0 - \$20,550 | \$0 | 10% | \$0 |
| | 20,551 - 83,550 | 2,055 | 12 | 20,550 |
| | 83,551 - 178,150 | 9,615 | 22 | 83,550 |
| | 178,151 - 340,100 | 30,427 | 24 | 178,150 |
| | 340,101 - 431,900 | 69,295 | 32 | 340,100 |
| | 431,901 - 647,850 | 98,671 | 35 | 431,900 |
| | 647,851+ | 174,253.50 | 37 | 647,850 |
| Married Filing Separately | \$0 - \$10,275 | \$0 | 10% | \$0 |
| | 10,276 - 41,775 | 1,027.50 | 12 | 10,275 |
| | 41,776 - 89,075 | 4,807.50 | 22 | 41,775 |
| | 89,076 - 170,050 | 15,213.50 | 24 | 89,075 |
| | 170,051 - 215,950 | 34,647.50 | 32 | 170,050 |
| | 215,951 - 323,925 | 49,335.50 | 35 | 215,950 |
| | 323,926+ | 87,126.75 | 37 | 323,925 |
| Head of Household | \$0 - \$14,650 | \$0 | 10% | \$0 |
| | 14,651 - 55,900 | 1,465 | 12 | 14,650 |
| | 55,901 - 89,050 | 6,415 | 22 | 55,900 |
| | 89,051 - 170,050 | 13,708 | 24 | 89,050 |
| | 170,051 - 215,950 | 33,148 | 32 | 170,050 |
| | 215,951 - 539,900 | 47,836 | 35 | 215,950 |
| | 539,901+ | 161,218.50 | 37 | 539,900 |
| Estates and Non-Grantor Trusts | \$0 - \$2,750 | \$0 | 10% | \$0 |
| | 2,751 - 9,850 | 275 | 24 | 2,750 |
| | 9,851 - 13,450 | 1,979 | 35 | 9,850 |
| | 13,451+ | 3,239 | 37 | 13,450 |

- The tax rate on long-term capital gains and qualified dividends is also based on a bracketed system using taxable income:

| Long-Term Capital Gain Tax Rate | Single | Married Filing Joint | Married Filing Separately | Head of Household | Estates & Non-Grantor Trusts |
|---------------------------------|------------------|----------------------|---------------------------|-------------------|------------------------------|
| 0% | \$0 - 41,675 | \$0 - 83,350 | \$0 - 41,675 | \$0 - 55,800 | \$0 - 2,800 |
| 15% | 41,676 - 459,750 | 83,351 - 517,200 | 41,676 - 258,600 | 55,801 - 488,500 | 2,801 - 13,700 |
| 20% | 459,751+ | 517,201+ | 258,601+ | 488,501+ | 13,701+ |

- In addition, married taxpayers with Modified AGI over \$250,000 (\$200,000 if Single; \$125,000 if Married Filing Separately) and estates/non-grantor trusts in the top tax bracket are subject to an additional 3.8% tax on Net Investment Income.

STANDARD DEDUCTION / PERSONAL EXEMPTIONS

| | | 2022 | 2021 | 2020 |
|---|--------------------------------|----------|----------|----------|
| Single | | \$12,950 | \$12,550 | \$12,400 |
| Married, filing jointly | | 25,900 | 25,100 | 24,800 |
| Married, filing separately | | 12,950 | 12,550 | 12,400 |
| Head of Household | | 19,400 | 18,800 | 18,650 |
| Additional deduction for aged or blind – married | | 1,400 | 1,350 | 1,300 |
| Additional deduction for aged or blind – single | | 1,750 | 1,700 | 1,650 |
| Personal Exemption | | 0 | 0 | 0 |
| AGI where itemized deduction/personal exemption phase-outs begin | Single | N/A | N/A | N/A |
| | Married Filing Joint | N/A | N/A | N/A |
| | Married Filing Separate | N/A | N/A | N/A |
| | Head of Household | N/A | N/A | N/A |

- Personal exemptions and the phaseout of itemized deductions are both repealed as of 2018 but are scheduled to be reinstated after 2025.

KIDDIE TAX

| | 2022 | 2021 | 2020 |
|--|---------|---------|---------|
| Standard Deduction for dependent with no earned income | \$1,150 | \$1,100 | \$1,100 |
| Maximum net unearned income taxed at child's rate (using the tax rates & brackets for a single filer) | 1,150 | 1,100 | 1,100 |
| Floor beyond which additional unearned income is taxed at the parent's tax rate | 2,300 | 2,200 | 2,200 |
| Floor beyond which additional unearned income is taxed at the trust tax rates | N/A | N/A | N/A |

- The standard deduction for a dependent is the greater of (i) \$1,150 or (ii) the sum of \$400 and the individual's earned income.

ALTERNATIVE MINIMUM TAX

| | 2022 Taxable Income | Pay | Plus % on excess | Of the amount over: |
|--|---------------------|----------|------------------|---------------------|
| Single, Head of Household, Married Filing Joint, Trusts | \$0 - 206,100 | | 26% | \$0 |
| | 206,101 and above | \$53,586 | 28% | 206,100 |
| Married Filing Separate | 0 - 103,050 | | 26% | 0 |
| | 103,051 and above | \$26,793 | 28% | 103,050 |

- For AMT purposes, long-term capital gains and qualified dividends are taxed at either 15% or 20%, using the same income thresholds as for regular tax.

| AMT Personal Exemption | 2022 | 2021 | 2020 |
|--------------------------------|----------|----------|----------|
| Single | \$75,900 | \$73,600 | \$72,900 |
| Married Filing Joint | 118,100 | 114,600 | 113,400 |
| Married Filing Separate | 59,050 | 57,300 | 56,700 |
| Head of Household | 75,900 | 73,600 | 72,900 |

- For 2022, the AMT Exemption begins to phase for married couples with Alternative Minimum Taxable Income above \$1,079,800 and above \$539,900 for all other taxpayers. The amount of exemption lost equals 25% of AMTI over the applicable threshold.

RETIREMENT PLAN CONTRIBUTION LIMITS

| Traditional & Roth IRAs | 2022 | 2021 | 2020 |
|---|-----------------|-----------------|-----------------|
| IRA and Roth IRA regular contributions | \$6,000 | \$6,000 | \$6,000 |
| IRA and Roth IRA catch-up contributions | 1,000 | 1,000 | 1,000 |
| MAGI phaseout range for IRA deduction - single | 68,000-78,000 | 66,000-76,000 | 65,000-75,000 |
| MAGI phaseout range for IRA deduction - married | 109,000-129,000 | 105,000-125,000 | 104,000-124,000 |
| Roth IRA contribution MAGI range – single | 129,000-144,000 | 125,000-140,000 | 124,000-139,000 |
| Roth IRA contribution MAGI range – married | 204,000-214,000 | 198,000-208,000 | 196,000-206,000 |

- Catch-up contributions to IRAs and employer plans are available to taxpayers age 50 and older by 12/31/22.
- MAGI is defined as Adjusted Gross Income minus income from Roth conversions plus any deductions taken for: IRA contributions, student loan interest, excluded foreign income, half of SE tax, excluded interest from savings bonds used for education, and excluded employer-provided adoption benefits.
- For those not covered by an employer retirement plan but whose spouse is covered, the IRA deduction is phased out for MAGI between \$204,000 and \$214,000 for 2022 (\$198,000 and \$208,000 for 2021).

| Employer Plans | 2022 | 2021 | 2020 |
|---|----------|----------|----------|
| 401(k), 403(b) regular contributions | \$20,500 | \$19,500 | \$19,500 |
| 401(k), 403(b) catch-up contributions | 6,500 | 6,500 | 6,500 |
| Profit Sharing or MPP | 61,000 | 58,000 | 57,000 |
| Individual 401(k) (Salary Deferral + Profit Sharing) | 61,000 | 58,000 | 57,000 |
| Individual 401(k) (Salary Deferral + Profit Sharing) Including Age 50+ Catch-up | 67,500 | 64,500 | 63,500 |
| SIMPLE IRA regular contributions | 14,000 | 13,500 | 13,500 |
| SIMPLE IRA catch-up contributions | 3,000 | 3,000 | 3,000 |
| SEP plan contributions | 61,000 | 58,000 | 57,000 |
| Total Defined Contribution plan contributions | 61,000 | 58,000 | 57,000 |
| Maximum compensation for plan benefit | 305,000 | 290,000 | 285,000 |

SOCIAL SECURITY TAXES AND BENEFITS

| | 2022 | 2021 | 2020 |
|---|-----------|-----------|-----------|
| Maximum wages subject to FICA tax | \$147,000 | \$142,800 | \$137,700 |
| Maximum earned income before reduction in SS benefits (up to full retirement age) | 19,560 | 18,960 | 18,240 |
| Maximum SS benefit, retiring at full retirement age | 3,345/mo | 3,148/mo | 3,011/mo |

- Earned income above threshold, for taxpayers younger than full retirement age, results in reduced Social Security benefits. Benefit amount is reduced by \$1 for every \$2 over the \$19,560 threshold.

| Taxability of Benefits | Single, Head of Household, Married Filing Separate | Married Filing Joint | Taxable Portion of Benefits |
|------------------------|--|----------------------|-----------------------------|
| Income Level | \$0 - 25,000 | \$0 - 32,000 | 0% |
| | 25,000 - 34,000 | 32,000 - 44,000 | Up to 50% |
| | Over 34,000 | Over 44,000 | Up to 85% |

- Income for purposes of this test includes:
 1. All income included on lines 1, 2b, 3b, 4b, 5b, 7 and 8 of the 2022 Form 1040
 2. Any tax-exempt interest included on line 2a of Form 1040
 3. Half the gross Social Security benefit itself (Line 6a)

MEDICARE INCOME-RELATED MONTHLY ADJUSTMENT AMOUNT (IRMAA)

Taxpayers with a modified adjusted gross income (MAGI) above a certain amount may be required to pay an Income Related Monthly Adjustment Amount (IRMAA) in addition to their Part B or Part D premium. Medicare will use the MAGI reported on the taxpayer's 2020 tax return in determining their 2022 IRMAA.

| 2020 Modified Adjusted Gross Income (AGI + Tax-Exempt Income) | | | Premium Adjustment | |
|--|----------------------|---------------------------|--------------------|--------|
| Single | Married Filing Joint | Married Filing Separately | Part B | Part D |
| ≤ \$91,000 | ≤ \$182,000 | ≤ \$91,000 | \$0 | \$0 |
| 91,001 - 114,000 | 182,001 - 228,000 | n/a | 68 | 12.40 |
| 114,001 - 142,000 | 228,001 - 284,000 | n/a | 170.10 | 32.10 |
| 142,001 - 170,000 | 284,001 - 340,000 | n/a | 272.20 | 51.70 |
| 170,001 - 499,999 | 340,001 - 749,999 | 91,001 - 408,999 | 374.20 | 71.30 |
| ≥ 500,000 | ≥ 750,000 | ≥ 409,000 | 408.20 | 77.90 |

HEALTH SAVINGS ACCOUNTS

| | 2022 | 2021 | 2020 |
|---|---------|---------|---------|
| Contribution Limit – Single Coverage | \$3,650 | \$3,600 | \$3,550 |
| Contribution Limit – Family Coverage | 7,300 | 7,200 | 7,100 |
| Catch-up Contribution | 1,000 | 1,000 | 1,000 |
| Minimum Deductible – Single | 1,400 | 1,400 | 1,400 |
| Minimum Deductible – Family | 2,800 | 2,800 | 2,800 |

- Catch-up contributions to HSAs are available to account holders age 55 and older by 12/31/21.
- The Minimum Deductible shown above is the minimum amount allowed for the plan to be considered a High Deductible Plan
- Out of pocket expenses under the plan can't exceed \$7,050 for singles, \$14,100 for a family.

ESTATE PLANNING

| Decedents Dying In: | Lifetime Exemption Amount | Tax Rate |
|---------------------|---|----------|
| 2010 | \$5 million, but estates may elect no estate tax, with capital gain tax on appreciation above \$1.3 million | 35% |
| 2011 | 5,000,000 | 35% |
| 2012 | 5,120,000 | 35% |
| 2013 | 5,250,000 | 40% |
| 2014 | 5,340,000 | 40% |
| 2015 | 5,430,000 | 40% |
| 2016 | 5,450,000 | 40% |
| 2017 | 5,490,000 | 40% |
| 2018 | 11,180,000 | 40% |
| 2019 | 11,400,000 | 40% |
| 2020 | 11,580,000 | 40% |
| 2021 | 11,700,000 | 40% |
| 2022 | 12,060,000 | 40% |

- Individuals may use the full \$12,060,000 million exemption to make lifetime gifts without incurring gift tax (married couples up to \$24,120,000). The 40% gift tax rate applies to gifts above the exemption amount.

| | 2022 | 2021 | 2020 |
|----------------------------------|----------|----------|----------|
| Annual Gift Tax exclusion | \$16,000 | \$15,000 | \$15,000 |

- The annual exclusion is indexed for inflation, but increases are only made in \$1,000 increments. Adjustments typically occur every few years.