

2021 Tax Facts At-a-Glance

Income Taxes

2020

If Taxable Income Is:

Over	But Not Over	The Tax Is	Of Excess Over
Married Filing Jointly			
\$0	\$19,750	\$0.00 + 10%	\$0
19,750	80,250	1,975.00 + 12%	19,750
80,250	171,050	9,235.00 + 22%	80,250
171,050	326,600	29,211.00 + 24%	171,050
326,600	414,700	66,543.00 + 32%	326,600
414,700	622,050	94,735.00 + 35%	414,700
622,050	And Over	167,307.50 + 37%	622,050
Single			
\$0	9,875	\$0.00 + 10%	\$0
9,875	40,125	987.50 + 12%	9,875
40,125	85,525	4,617.50 + 22%	40,125
85,525	163,300	14,605.50 + 24%	85,525
163,300	207,350	33,271.50 + 32%	163,300
207,350	518,400	47,367.50 + 35%	207,350
518,400	And Over	156,235.00 + 37%	518,400
Estates and Trusts			
\$0	\$2,600	\$0.00 + 10%	\$0
2,600	9,450	260.00 + 24%	2,600
9,450	12,950	1,904.00 + 35%	9,450
12,950	And Over	3,129.00 + 37%	12,950

Corporate Tax Rate

2020 2021

Corporate Flat Tax Amount 21% 21%

S.S./Medicare Payroll Tax and Benefits 2020 2021

Max. Taxable Wage Base for S.S. \$137,700 \$142,800
Employee Tax Rate 6.2% 6.2%
Self-Employed Tax Rate 12.4% 12.4%

Medicare Payroll Tax

Employee Tax Rate (Initial/Over) 1.45% / 2.35% 1.45% / 2.35%
Self-Employed Tax Rate (Initial/Over) 2.90% / 3.80% 2.90% / 3.80%

Additional .9% Medicare Payroll Tax - Taxable Wage Base Thresholds

Married Filing Jointly \$250,000 \$250,000
Single / Head of Household 200,000 200,000
Married Filing Separately 125,000 125,000

Taxable Portion of S.S. Benefits (Up to 85% taxable if provisional income is more than)

Married Filing Jointly \$44,000 \$44,000
Single 34,000 34,000

Maximum Earned Income Before S.S. Benefits are Reduced

Under Full Retirement Age \$18,240 \$18,960
(Lose \$1 for every \$2 of earnings) 1,520/month 1,580/month

Cap Gains¹ & Dividends 2020 2021

Rate	Married Joint/Single	Married Joint/Single
0%	\$0-80,000/\$0-40,000	\$0-80,000/\$0-40,000
15%	80,001-496,600/40,001-441,450	80,001-496,600/40,001-441,450
20%	Over 496,600/Over 441,50	Over 496,600/Over 441,50

¹Assets held at least 12 months and qualified dividends

Child Tax Credits 2020 2021

Amount Per Child Under Age 17 \$2,000 \$2,000

Phase-Out \$50 for each \$1,000 of Modified AGI Over:

Married Filing Jointly \$400,000 \$400,000
Single / Married Filing Separately 200,000 200,000

2021

If Taxable Income Is:

Over	But Not Over	The Tax Is	Of Excess Over
Married Filing Jointly			
\$0	\$19,900	\$0.00 + 10%	\$0
19,900	81,050	1,990.00 + 12%	19,900
81,050	172,750	9,328.00 + 22%	81,050
172,750	329,850	29,502.00 + 24%	172,750
329,850	418,850	67,206.00 + 32%	329,850
418,850	628,300	95,686.00 + 35%	418,850
628,300	And Over	168,993.50 + 37%	628,300
Single			
\$0	\$9,950	\$0.00 + 10%	\$0
9,950	40,525	995.00 + 12%	9,950
40,525	86,375	4,664.00 + 22%	40,525
86,375	164,925	14,751.00 + 24%	86,375
164,925	209,425	33,603.00 + 32%	164,925
209,425	523,600	47,843.00 + 35%	209,425
523,600	And over	157,804.25 + 37%	523,600
Estates and Trusts			
\$0	\$2,650	\$0.00 + 10%	\$0
2,650	9,550	265.00 + 24%	2,650
9,550	13,050	1,921.00 + 35%	9,550
13,050	And Over	3,146.00 + 37%	13,050

Estate and Gift Taxes

2020 2021

Top Estate Tax Rate 40% 40%
Annual Gift Tax Exclusion, per donee \$15,000 \$15,000
Annual Gift Tax Exclusion, Non-citizen Spouse 157,000 159,000
Estate & Gift Tax Applicable Exclusion Amount² 11,580,000 11,700,000

²Sunsetts December 31, 2025.

Standard Deductions

2020 2021

Married Filing Jointly \$24,800 \$25,100
Head of Household 18,650 18,800
Single/Married Filing Separately 12,400 13,050
Additional (Age 65/older, or blind)
Married (for each qualifying taxpayer) 1,300 1,350
Single, not surviving spouse 1,650 1,700

Qualified Business Income Thresholds³ 2020 2021

Married Filing Jointly \$326,600 \$329,000
Married Filing Separately 163,300 164,900
Single/Head of Household 163,300 164,900

³Beginning in 2018, owners of pass-through entities are taxed on business income at their individual income tax rates, but may claim a 20% deduction of their share of the business income—even if they elect to use the standard deduction instead of itemizing. A number of "specified service trades or businesses" do not qualify for the deduction, subject to the above thresholds on qualified business income. (The deduction may be limited or eliminated where taxable income is above the thresholds, depending on type of business, owner's compensation, and depreciable business property.)

Alternative Minimum Tax 2020 2021

Married Filing Jointly Exemption \$113,400 \$114,600
Married Filing Separately Exemption 56,700 57,300
Single/Head of Household Exemption 72,900 73,600

Phased Out Thresholds:

Married Filing Jointly 1,036,800 1,047,200
All Others 518,400 523,600

AMT Rate (Income in Excess of Exemption)

26% \$197,900 \$199,900
28% Over 197,900 Over 199,900
Married Filing Separately
26% \$98,950 \$99,950
28% Over 98,950 Over 99,950

2021 Tax Facts At-a-Glance

Retirement Plans and Education Savings

Qualified Retirement Plans	2020	2021
SEP Plan Participant Max % of Comp⁴	25%	25%
SEP Per Participant Max \$ Allocation Limit	\$57,000	\$58,000
SEP Minimum Compensation	600	650
SIMPLE IRA Employee Contribution	\$13,500	\$13,500
SIMPLE IRA Catch-Up – Age 50+	3,000	3,000
401(k) / 457 Plan Elective Employee Deferral	19,500	19,500
401(k) / 457 Plan Catch-Up – Age 50+	6,500	6,500
403(b) TSA Elective Employee Deferral	19,500	19,500
403(b) TSA Catch-Up – Age 50+	6,500	6,500
403(b) TSA Catch-Up – 15+ Yrs w/ Current Employer	3,000	3,000
Defined Contribution Plan		
Max \$ Limit Per Participant	\$57,000	\$58,000
Max Deduction % of Eligible Payroll	25%	25%
Defined Benefit Plan Maximum Benefit	230,000	230,000
Covered Compensation Limit	285,000	290,000
Highly Compensated Employee	130,000	130,000

⁴20% if self employed

IRAs	2020	2021
Traditional or Roth IRA Contribution	\$6,000	\$6,000
IRA Catch-Up – Age 50+	1,000	1,000
Phase-Out Range for Deductible Contributions to Traditional IRAs⁵		
Married Filing Jointly	\$104,000-124,000	\$105,000-125,000
Single/Head of Household	65,000-75,000	66,000-76,000
Married Filing Separately	0-10,000	0-10,000
Phase-Out Range for Contributions to Roth IRAs		
Married Filing Jointly	\$196,000-206,000	\$198,000-208,000
Single/Head of Household	122,000-137,000	125,000-140,000
Married Filing Separately	0-10,000	0-10,000

⁵For active participants in another retirement plan

Required Minimum Distributions (Uniform Table)

Age	Factor	Age	Factor	Age	Factor	Age	Factor
70	27.4	81	17.9	92	10.2	103	5.2
71	26.5	82	17.1	93	9.6	104	4.9
72	25.6	83	16.3	94	9.1	105	4.5
73	24.7	84	15.5	95	8.6	106	4.2
74	23.8	85	14.8	96	8.1	107	3.9
75	22.9	86	14.1	97	7.6	108	3.7
76	22.0	87	13.4	98	7.1	109	3.4
77	21.2	88	12.7	99	6.7	110	3.1
78	20.3	89	12.0	100	6.3	111	2.9
79	19.5	90	11.4	101	5.9	112	2.6
80	18.7	91	10.8	102	5.5	113	2.4

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Education Incentives ⁶	2020	2021
American Opportunity Credit (This is a modification of the Hope Credit) (100% credit for first \$2,000 of eligible expenses and 25% of additional \$2,000 of expenses)	\$2,500	\$2,500
Lifetime Learning Credit	2,000	2,000
Modified AGI Phase-Outs for:		
American Opportunity Credit		
Married Filing Jointly	\$160,000-180,000	\$160,000-180,000
Others	80,000-90,000	80,000-90,000
Lifetime Learning Credits		
Married Filing Jointly	\$118,000-138,000	\$160,000-180,000
Others	59,000-69,000	80,000-90,000
Phase-Outs for Exclusion of U.S. Savings Bond Income		
Married Filing Jointly	\$123,550-153,550	\$124,000-154,800
Others	82,350-97,350	59,000-6,000

⁶Income Limits are based on current information as released by the IRS. (See IRS Pub 970 for complete explanation including exceptions)

Coverdell Education Savings Accts	2020	2021
Maximum Contribution	\$2,000/ beneficiary	\$2,000/ beneficiary
Phase-Out Range		
Married Filing Jointly	\$190,000-220,000	\$190,000-220,000
Single	95,000-110,000	95,000-110,000

⁶Income limits are based on current information as released by the IRS. (See IRS Pub 970 for complete explanation including exceptions).

SECURE Act Highlights (tax years beginning after 2019)

Delay required minimum distribution (RMD) date. The SECURE Act delays RMDs until age 72, for those who reach 70½ in 2020 or after.

Repeal age limitations for traditional IRA contributions. The legislation recognizes that more Americans are living longer and working past normal retirement age. As a result, the SECURE Act will permit those working over age 70½ to contribute to a traditional IRA for tax year 2020 and later.

Eliminate “Stretch” IRAs. To help pay for the legislation, the SECURE Act will require most beneficiaries to completely withdraw inherited IRAs and retirement plans within 10 years and pay the resulting income tax liability. The 10-year rule would not apply to some beneficiaries such as surviving spouses, disabled individuals, minors and those who are not more than 10 years younger than the account owner.

Although great effort has been taken to provide accurate numbers and explanations, the information in this report is general in nature and is based on a current understanding of the federal tax rules as of December 31, 2020.



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