

2021 Tax

REFERENCE GUIDE



A member of Western & Southern Financial Group

Tax Brackets for 2021

Tableable income (i.e., income minus deductions and credits) between:

Married, Joint & Surviving Spouses

Income Range	Marginal Tax Rates
\$0–\$19,900	10%
\$19,901–\$81,050	12%
\$81,051–\$172,750	22%
\$172,751–\$329,850	24%
\$329,851–\$418,850	32%
\$418,851–\$628,300	35%
over \$628,300	37%

Capital gains/qualified dividends

\$0–\$80,800	0%
\$80,801–\$501,600	15%
over \$501,600	20%

Single

\$0–\$9,950	10%
\$9,951–\$40,525	12%
\$40,526–\$86,375	22%
\$86,376–\$164,925	24%
\$164,926–\$209,425	32%
\$209,426–\$523,600	35%
over \$523,600	37%

Capital gains/qualified dividends

\$0–\$40,400	0%
\$40,401–\$445,850	15%
over \$445,850	20%

Married, Separate

\$0–\$9,950	10%
\$9,951–\$40,525	12%
\$40,526–\$86,375	22%
\$86,376–\$164,925	24%
\$164,926–\$209,425	32%
\$209,426–\$314,150	35%
over \$314,150	37%

Capital gains/qualified dividends

\$0–\$40,400	0%
\$40,401–\$250,800	15%
over \$250,800	20%

Head of Household (HOH)

\$0–\$14,200	10%
\$14,201–\$54,200	12%
\$54,201–\$86,350	22%
\$86,351–\$164,900	24%
\$164,901–\$209,400	32%
\$209,401–\$523,600	35%
over \$523,600	37%

Capital gains/qualified dividends

\$0–\$54,100	0%
\$54,101–\$473,750	15%
over \$473,750	20%

Estates and Trusts

\$0–\$2,650	10%
\$2,651–\$9,550	24%
\$9,551–\$13,050	35%
over \$13,050	37%

Capital gains/qualified dividends

\$0–\$2,700	0%
\$2,701–\$13,250	15%
over \$13,250	20%

Corporate Tax Rate 21%

Standard Deduction

Married, joint	\$25,100
Single; married, separate	\$12,550
HOH	\$18,800
Blind or over 65: add \$1,350 if married, \$1,700 if single or HOH	

Child/Dependent Tax Credit

Child	\$2,000 per child up to \$1,400 refundable
Qualifying dependent	\$500 per dependent, nonrefundable

Mortgage Interest Deduction

On acquisition indebtedness up to \$750,000 for 1st and 2nd homes
No deduction for home equity indebtedness

State and Local Tax Deduction Limit

State and local income and property tax deduction \$10,000

Alternative Minimum Tax Exemption Amount

Married, joint	\$114,600
Single, HOH	\$73,600
Married, separate	\$57,300

IRA and Pension Plan Limits

IRA contribution	
Under age 50	\$6,000
Age 50 and over	\$7,000

Phaseout for deducting IRA contribution	
Married, joint	\$105,000–\$125,000 MAGI
Single, HOH	\$66,000–\$76,000 MAGI
Married, separate	\$0–\$10,000 MAGI

Phaseout for deducting spousal IRA¹
\$198,000–\$208,000 MAGI

Phaseout of Roth contribution eligibility	
Married, joint	\$198,000–\$208,000 MAGI
Single, HOH	\$125,000–\$140,000 MAGI
Married, separate	\$0–\$10,000 MAGI

SEP contribution	
Up to 25% of compensation, limit	\$58,000
Compensation to participate in SEP	\$650
SIMPLE elective deferral	
Under age 50	\$13,500
Age 50 and over	\$16,500

401(k), 403(b) ² , 457 ³ and SARSEP elective deferral	
Under age 50	\$19,500
Age 50 and over	\$26,000

Annual defined contribution limit	\$58,000
Annual defined benefit limit	\$230,000
Highly compensated employee	\$130,000
Key Employee in top heavy plans	\$185,000
Annual compensation taken into account for qualified plans	\$290,000

Retirement Tax Credit: A percent tax credit for an IRA, 401(k), 403(b) or 457 plan contribution, in addition to deduction or exclusion, if

Married, joint	Below \$66,000 AGI
HOH	Below \$49,500 AGI
Single; married, separate	Below \$33,000 AGI

Maximum qualified longevity annuity contract (QLAC) premium \$135,000

Gift and Estate Tax

Gift tax annual exclusion	\$15,000
Estate and gift tax rate	40%
Estate tax exemption	\$11,700,000
Lifetime gift exemption	\$11,700,000
GST exemption	\$11,700,000
Annual exclusion for gifts to noncitizen spouse	\$159,000

Additional Medicare Tax Where Income Exceeds \$200,000 (\$250,000 married, joint)

Additional tax on excess of earned income ⁴	0.9%
Additional tax on Net Investment Income ⁵	3.8%

Health Care

Eligible Long-Term Care	Deduction Limit
Age 40 or less	\$450
Ages 41 to 50	\$850
Ages 51 to 60	\$1,690
Ages 61 to 70	\$4,520
Ages over 70	\$5,640

Per Diem Limitation for LTC Benefits \$400

199A Qualified Business Income Thresholds

Married, joint	\$329,800
All others	\$164,900

- Assumes individual or spouse also participates in an employer-sponsored retirement plan.
- Special increased limit may apply to certain 403(b) contributors with 15 or more years of service.
- In last 3 years prior to year of retirement, 457(b) plan participant may be able to double elective deferral if needed to catch up on prior missed contributions, but if they do, they cannot use catch up.
- Total Employee Medicare Tax is 1.45% + 0.9% = 2.35%.
- Including interest, dividends, capital gains and annuity distributions.



Get More Valuable Info:
Check Out Our Value Adds

Client approved content to help you build relationships and sales.

- ValueAddCentral.com
- RetirementTalks.com
- IncomeInputs.com

More at WSFinancialPartners.com

Integrity Life Insurance Company
National Integrity Life Insurance Company
Western-Southern Life Assurance Company

W&S FINANCIAL GROUP DISTRIBUTORS 2021 TAX REFERENCE GUIDE

Education

Coverdell Education Savings Account	\$2,000
Coverdell contribution eligibility phaseout	
Married, joint	\$190,000–\$220,000
All others	\$95,000–\$110,000

Student loan interest deduction limit	\$2,500
Interest deduction is phased out	
Married, joint	\$140,000–\$170,000 MAGI
All others	\$70,000–\$85,000 MAGI

Phaseout of Lifetime Learning Credits	
Married, joint	\$160,000–\$180,000
All others	\$80,000–\$90,000

Tax-free savings bonds interest phased out	
Married, joint	\$124,800–\$154,800 MAGI
All others	\$83,200–\$98,200 MAGI

Social Security⁶

Maximum taxable earnings base	\$142,800
Amount Needed to Earn	
One Credit	\$1,470
Amount Needed to Earn	
Four Credits	\$5,880
Social Security and Medicare Tax Rates	
Employee	7.65%
Employer	7.65%
Self-Employed	15.30%
Maximum Monthly Retirement Benefit at Full Retirement Age ⁷	\$3,148
Cost of Living Adjustment	1.3%
Income ⁸ (in retirement) causing Social Security benefits to be taxable	
Married, joint	
50% taxable	\$32,000 MAGI
85% taxable	\$44,000 MAGI
Single	
50% taxable	\$25,000 MAGI
85% taxable	\$34,000 MAGI

Reduction of Social Security retirement benefits:

In years prior to full retirement age, \$1 in benefits will be reduced for every \$2 of earnings in excess of \$18,960. In the year of full retirement age, \$1 in benefits will be reduced for every \$3 of earnings in excess of \$50,520 (applies only to months of earnings prior to full retirement age). There is no limit on earnings beginning the month an individual attains full retirement age.

Average Monthly Benefit (December 2019)

Average Monthly Retirement Benefit	
Men	\$1,671
Women	\$1,337
Average Monthly Survivor Benefit	
Men	\$1,261
Women	\$1,429

Source: *Fast Facts and Figures about Social Security, 2020*

6. Source: www.ssa.gov, 12/21/20.

7. In 2021, for those turning age 62, full retirement age is 66 years and ten months.

8. Income is most income including muni bond interest but only 1/2 of Social Security.

Uniform Lifetime Table

Use to calculate Required Minimum Distributions* from IRAs and qualified plans **during** owner's life. If owner has spousal beneficiary more than 10 years younger, use instead Joint Life Table from IRS Pub. 590.

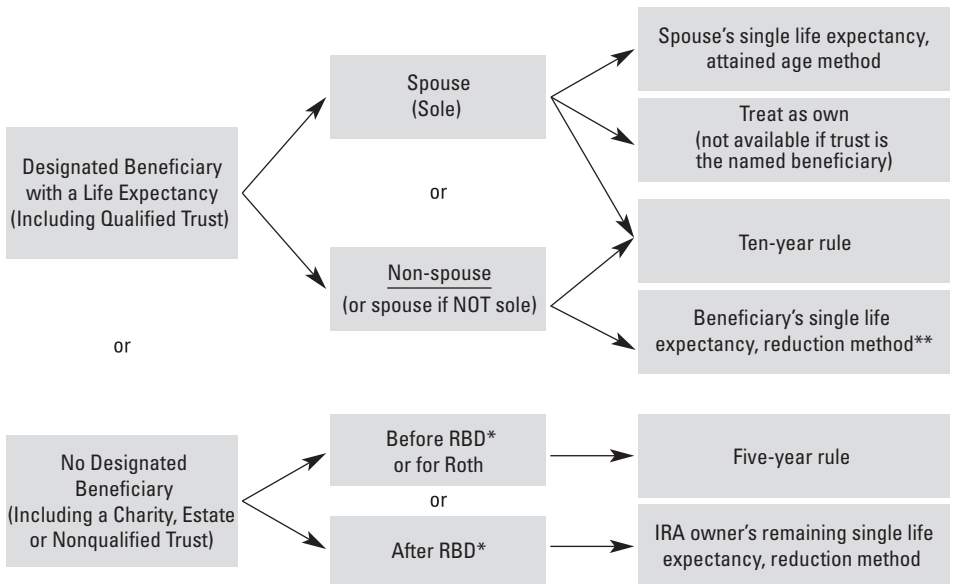
Taxpayer's Age	Life Expectancy	Taxpayer's Age	Life Expectancy
70	27.4	93	9.6
71	26.5	94	9.1
72	25.6	95	8.6
73	24.7	96	8.1
74	23.8	97	7.6
75	22.9	98	7.1
76	22.0	99	6.7
77	21.2	100	6.3
78	20.3	101	5.9
79	19.5	102	5.5
80	18.7	103	5.2
81	17.9	104	4.9
82	17.1	105	4.5
83	16.3	106	4.2
84	15.5	107	3.9
85	14.8	108	3.7
86	14.1	109	3.4
87	13.4	110	3.1
88	12.7	111	2.9
89	12.0	112	2.6
90	11.4	113	2.4
91	10.8	114	2.1
92	10.2	115+	1.9

Single Life Table

Use to calculate Required Minimum Distributions* from IRAs and qualified plans **after** owner's death. See IRS Pub. 590 for complete table of ages 0 through 111+.

Age	Life Expectancy	Age	Life Expectancy
39	44.6	63	22.7
40	43.6	64	21.8
41	42.7	65	21.0
42	41.7	66	20.2
43	40.7	67	19.4
44	39.8	68	18.6
45	38.8	69	17.8
46	37.9	70	17.0
47	37.0	71	16.3
48	36.0	72	15.5
49	35.1	73	14.8
50	34.2	74	14.1
51	33.3	75	13.4
52	32.3	76	12.7
53	31.4	77	12.1
54	30.5	78	11.4
55	29.6	79	10.8
56	28.7	80	10.2
57	27.9	81	9.7
58	27.0	82	9.1
59	26.1	83	8.6
60	25.2	84	8.1
61	24.4	85	7.6
62	23.5	86	7.1

IRA Beneficiary Options



*RBD defined as "Required Beginning Date" (April 1 following the year a Traditional IRA or SIMPLE IRA holder reached age 72). Change in required beginning date (RBD) for required minimum distributions (RMDs) made pursuant to the terms of the SECURE Act, effective 1/1/2020.

** Method only available if the non-spouse beneficiary is the minor child of the deceased IRA owner (until the child's age of majority), disabled, chronically ill or not more than 10 years younger than the deceased IRA owner.



A member of Western & Southern Financial Group

W&S Financial Group Distributors
400 Broadway, Cincinnati, OH 45202
www.WSFinancialPartners.com

Information contained herein is current as of 12/21/20, subject to legislative changes and is not intended to be legal or tax advice. Consult a qualified tax advisor regarding specific circumstances. Annuities are not bank products, not a deposit, not insured by the FDIC or any federal entity, have no bank guarantee and may lose value. Payment of benefits under an annuity contract is the obligation of, and is guaranteed by, the insurance company issuing the annuity. Guarantees are based on the claims-paying ability of the insurer. Annuities are issued and guaranteed by Western-Southern Life Assurance Company, Cincinnati, OH, Integrity Life Insurance Company, Cincinnati, OH, or National Integrity Life Insurance Company, Greenwich, NY. Western-Southern Life Assurance Company operates in DC and all states except NY. Integrity Life operates in DC and all states except NY, where National Integrity Life operates. W&S Financial Group Distributors, Inc., is an affiliated agency of the issuer. Issuer has sole financial responsibility for its products. All companies are members of Western & Southern Financial Group. ©2008-2020 Western & Southern Financial Group. All rights reserved.