

2022 Federal Tax & Benefit Reference Guide



1292 Route 28, Unit #3
S. Yarmouth, MA 02664
FairwayFinancial.net • 508.398.3337

Federal Income Tax

Single Filers

\$0-\$10,275	10.0%
\$10,276-\$41,775	12.0%
\$41,776-\$89,075	22.0%
\$89,076-\$170,050	24.0%
\$170,051-\$215,950	32.0%
\$215,951-\$539,900	35.0%
> \$539,901	37.0%

Married Filing Jointly

\$0-\$20,550	10.0%
\$20,551-\$83,550	12.0%
\$83,551-\$178,150	22.0%
\$178,151-\$340,100	24.0%
\$340,101-\$431,900	32.0%
\$431,901-\$647,850	35.0%
> \$647,851	37.0%

Married Filing Separately

\$0 - \$9,950	10.0%
\$9,951 - \$40,525	12.0%
\$40,526 - \$86,375	22.0%
\$86,376 - \$164,925	24.0%
\$164,926 - \$209,425	32.0%
\$209,426 - \$314,150	35.0%
> \$314,150	37.0%

Head of Household

\$0-\$14,650	10.0%
\$14,651-\$55,900	12.0%
\$55,901-\$89,050	22.0%
\$89,051-\$170,050	24.0%
\$170,051-\$215,950	32.0%
\$215,951-\$539,900	35.0%
> \$539,901	37.0%

Trusts and Estates

\$0-\$2,750	10.0%
\$2,751-\$9,850	24.0%
\$9,851-\$13,450	35.0%
> \$13,451	37.0%

Standard Deductions

Single	\$12,950
Married filing jointly	\$25,900
Married filing separately	\$12,950
Head of household	\$19,400
65 or older or blind	\$1,400 if married
65 or older and blind	\$2,800 if married
(additional standard deduction amount)	
	\$1,750 if single and not a surviving spouse

Personal exemption	\$0
Qualifying dependents other than qualifying children	\$1,150 credit/dependent or sum of \$350 and earned income

Capital Gain & Dividend Rates (Long-Term*)

Single		Married Filing Jointly	
\$0 - \$41,675	0%	\$0 - \$83,350	0%
\$41,676 - \$459,750	15%	\$83,351 - \$517,200	15%
> \$459,751	20%	> \$517,201	20%
Collectibles	28%		

Head of Household		Married Filing Separately	
\$0 - \$55,800	0%	\$0 - \$41,675	0%
\$55,801 - \$488,500	15%	\$41,675 - \$258,600	15%
> \$488,501	20%	> \$258,600	20%

*Short-term gains are taxed as ordinary income.

Gift & Estate Tax

Annual gift tax exclusion	\$16,000
Unified estate and gift tax credit amount	\$12,060,000
Annual exclusion for gift to noncitizen spouse	\$164,000
Highest estate and gift tax rate	40%
States with separate estate tax:	
CT, DC, HI, IL, MA, MD, ME, MN, NY, OR, RI, VT, WA	
States with inheritance tax: IA, KY, NE, PA, MD, NJ	
Community property states:	
AK*, AZ, CA, ID, LA, NM, NV, TX, WA, WI	
*Opt-in community property state	

Net Investment Income Tax (3.8% Medicare Surtax Thresholds)

Tax Filing Status

Single/Head of household	\$200,000
Married filing jointly	\$250,000
Married filing separately	\$125,000
Trusts and estates	\$13,050

Education

529 Plan Contributions

\$16,000 per year per child before gift tax*	
Accelerate 5 years of gifting into 1 year:	
Per individual	\$80,000
Per couple	\$160,000

Education Phaseouts

Student Loan Interest Deductions

Maximum deduction for student loan interest is \$2,500. Deductions are phased out according to the following:

Phase-out: Single return	\$70,000 - \$85,000
Married, filing jointly	\$145,000 - \$175,000

American Opportunity Credit/ Hope Scholarship Credit

Maximum \$2,500 (100% of first \$2,000 + 25% of next \$2,000 of eligible expenses)

Phase-out: Married filing jointly	\$160,000 - \$180,000
Single	\$80,000 - \$90,000

Lifetime Learning Credits 20% of qualified expenses up to \$10,000

Married filing jointly	\$160,000 - \$180,000
Single or HOH	\$80,000 - \$90,000

Coverdell Education Savings Accounts

Maximum Contribution of \$2,000

Married filing jointly	\$190,000 - \$220,000
Others	\$95,000 - \$110,000

Retirement Plans

Traditional IRA

Contribution limit	\$6,000
50+ catch-up	\$7,000

Trad. IRA Deductibility Phaseout (MAGI)

(Participants in employer plans)

Married filing jointly	\$109,000 - \$129,000
Married filing separately	\$0 - \$10,000
Single/Head of household	\$68,000 - \$78,000
Non-covered participant with a covered-participant spouse	\$204,000 - \$214,000

Roth IRA Deductibility Phaseout (MAGI)

Married filing jointly	\$198,000 - \$208,000
Married filing separately	\$0 - \$10,000
Single/Head of household	\$129,000 - \$144,000

Qualified Plans

Employee 401(k), 403(b), 457(b) salary deferral under age 50*	\$20,500
50+ catch-up	\$27,000
SIMPLE salary deferral under age 50	\$14,000
50+ catch-up	\$17,000
Maximum contribution	\$61,000

Covered compensation limit	\$305,000
Highly compensated employee	\$135,000
Maximum employer percentage deduction limit (of eligible payroll)	25%

*Special catch-up rules may apply to some 403(b) contributors with 15 or more years of service and governmental 457(b) participants in the last 3 years prior to retirement.

Source: Internal Revenue Service, November 10, 2021, Social Security Administration website www.SSA.gov, IRS Publication IR-2021-219
Source: <https://www.irs.gov/newsroom/irs-announces-401k-limit-increases-to-20500>
Source: <https://www.ssa.gov/benefits/retirement/planner/agereduction.html>
Source: <https://www.ssa.gov/benefits/retirement/planner/delayret.html>

*State tax treatment may differ from federal tax treatment, so look to the laws of your state to find out how your state will treat a 529 plan gift.

1. Under age 19 with net unearned income, or under age 24 if a full-time student whose earned income does not exceed half of his or her own support for the year.

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Social Security

Taxable Wage Base

Maximum earnings (during workings years) subject to payroll tax	\$147,000
Medicare (Hospital Insurance)	No limit

Retirement Earning Test

Under full retirement age	\$19,560
Year reaching full retirement age	\$51,960

Note: \$1 in benefits will be withheld for every \$2 in earnings above the limit.
Note: Applies only to earnings for months prior to attaining full retirement age. \$1 in benefits will be withheld for every \$3 in earnings above the limit.

Taxability of Benefits

(Based on provisional income and filing status)

	Not Taxable	MAGI Up to 50%	MAGI Up to 85%
Individual	< \$25,000	\$25,000 – \$34,000	> \$34,001
Married filing jointly	< \$32,000	\$32,000 – \$44,000	> \$44,001
		MAGI	MAGI
Married filing separately	up to 85% of benefits are taxable		

FICA Tax Rates

	Self-Employed	Employee
OASDI (Social Security)	12.40%	6.2%
Medicare	2.90%	1.45%
Additional Medicare Tax*	0.90%	0.90%

*Additional Medicare tax went into effect in 2013 and applies to wages, compensation, and self-employment income above a threshold amount:

Filing Status	Threshold
Married filing jointly	\$250,000+
Married filing separately	\$125,000+
Others	\$200,000+

Age to Receive Full Benefits

Birth Year	Full Retirement Age	% Reduced if Taken at Age 62
1943 – 1954	66	25.00%
1955	66 & 2 mos.	25.83%
1956	66 & 4 mos.	26.67%
1957	66 & 6 mos.	27.50%
1958	66 & 8 mos.	28.33%
1959	66 & 10 mos.	29.17%
1960 & later	67	30.00%

Delayed Retirement Credits

Accrues starting at full retirement age, until you start receiving benefits or reach age 70

Birth Year	Annual Rate of Increase
1943 or later	8.00% (% of 1% per month)

Health Savings Accounts

Contribution Limits

Single	\$3,650
Family	\$7,300
Age 55+ catch-up	+\$1,000

High Deductible Health Plans

Maximum earnings (during workings years) subject to payroll tax

	Min. Deductible	Max. Out of Pocket
Self-only	\$1,400	\$7,000
Family	\$2,800	\$14,000

Required Minimum Distributions (RMDs)

Uniform Lifetime Table

This table is used to determine the required minimum distributions from IRAs and Qualified Plans during the owner's life in situations where the owner's spouse is either not the sole designated beneficiary or is the sole designated beneficiary but is not more than 10 years younger than the owner. (Joint Life Publication 590 if owner's spouse is more than 10 years younger.)

Age	Divisor	Age	Divisor	Age	Divisor	Age	Divisor	Age	Divisor
72	27.4	79	21.1	86	15.2	93	10.1	100	6.4
73	26.5	80	20.2	87	14.4	94	9.5		
74	25.5	81	19.4	88	13.7	95	8.9		
75	24.6	82	18.5	89	12.9	96	8.4		
76	23.7	83	17.7	90	12.2	97	7.8		
77	22.9	84	16.8	91	11.5	98	7.3		
78	22.0	85	16.0	92	10.8	99	6.8		

Single Life Expectancy Table

This table may be used to determine the minimum amount of withdrawal that is required each year for an individual who inherits money as a designated beneficiary of an IRA. The individual must be specifically named as the beneficiary in order to use the table. If the estate is named, or if no individual(s) is named as the beneficiary of the IRA, the heirs will not be able to stretch out the withdrawals through the use of the single life table.

Age	Divisor	Age	Divisor	Age	Divisor	Age	Divisor	Age	Divisor
32	51.4	43	40.7	54	30.5	65	21	76	12.7
33	50.4	44	39.8	55	29.6	66	20.2	77	12.1
34	49.4	45	38.8	56	28.7	67	19.4	78	11.4
35	48.5	46	37.9	57	27.9	68	18.6	79	10.8
36	47.5	47	37	58	27	69	17.8	80	10.2
37	46.5	48	36	59	26.1	70	17	81	9.7
38	45.6	49	35.1	60	25.2	71	16.3	82	9.1
39	44.6	50	34.2	61	24.4	72	15.5	83	8.6
40	43.6	51	33.3	62	23.5	73	14.8	84	8.1
41	42.7	52	32.3	63	22.7	74	14.1	85	7.6
42	41.7	53	31.4	64	21.8	75	13.4	86	7.1

The information contained herein is general in nature, has been obtained from various sources believed to be reliable, and is subject to changes in the Internal Revenue Code, as well as other areas of law. It is not intended as tax, legal, or accounting advice. Anyone interested in these transactions or topics should seek advice based on his or her particular circumstances from independent tax professionals. Information is accurate at time of printing (January 2022). Steven Anzuoni is a licensed insurance provider by the Division of Insurance and is not registered as an investment adviser in the Commonwealth of Massachusetts. Insurance and annuities offered through Steven Anzuoni, MA Insurance License #1722314
Source: Internal Revenue Service, November 10, 2021, Social Security Administration website www.SSA.gov, IRS Publication IR-2021-219

Source: <https://www.irs.gov/newsroom/irs-announces-401k-limit-increases-to-20500>

Source: <https://www.ssa.gov/benefits/retirement/planner/agereduction.html>

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