

2021 Federal Tax & Benefit Reference Guide

Federal Income Tax

Single Filers

\$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 – \$523,600	35.0%
> \$523,601	37.0%

Married Filing Jointly

\$0 – \$19,900	10.0%
\$19,901 – \$81,050	12.0%
\$81,051 – \$172,750	22.0%
\$172,751 – \$329,850	24.0%
\$329,851 – \$418,850	32.0%
\$418,851 – \$628,300	35.0%
> \$628,301	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 – \$14,200	10.0%
\$14,201 – \$54,200	12.0%
\$54,201 – \$86,350	22.0%
\$86,351 – \$164,900	24.0%
\$164,901 – \$209,400	32.0%
\$209,401 – \$523,600	35.0%
> \$523,601	37.0%

Trusts and Estates

\$0 - \$2,650	10.0%
\$2,651 - \$9,950	24.0%
\$9,951 - \$13,050	35.0%
> \$13,050	37.0%

Standard Deductions

Single	\$12,500
Married filing jointly	\$25,100
Married filing separately	\$12,550
Head of household	\$18,800
65 or older and/or blind	\$1,350 if married
(additional standard deduction amount)	
	\$1,700 if single and not a surviving spouse
Personal exemption	\$0
Qualifying dependents other than qualifying children	\$1,100 credit/dependent or sum of \$350 and earned income

Capital Gain & Dividend Rates (Long-Term*)

Single	Married Filing Jointly	Single	Married Filing Jointly
\$0 – \$40,400	0%	\$0 – \$80,800	0%
\$40,401 - \$445,850	15%	\$80,001 - \$501,600	15%
> \$445,851	20%	> \$501,601	20%
Collectibles	28%		

Head of Household Married Filing Separately

\$0 – \$54,100	0%	\$0 – \$40,440	0%
\$54,101 - \$473,750	15%	\$40,401 - \$250,800	15%
> \$473,751	20%	> \$250,801	20%

Gift & Estate Tax

Annual gift tax exclusion	\$15,000
Unified estate and gift tax credit amount	\$11,700,000
Annual exclusion for gift to noncitizen spouse	\$159,000
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

\$15,000 per year per child before gift tax*	
Accelerate 5 years of gifting into 1 year:	
Per individual	\$75,000
Per couple	\$150,000

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	\$140,000 – \$170,000

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

Source: Internal Revenue Service, January 27, 2021, Social Security Administration website www.SSA.gov, IRS Publication 590

Source: <https://www.kiplinger.com/taxes/tax-brackets/601635/irs-releases-income-tax-brackets-for-2021>

Source: <https://www.thewealthadvisor.com/article/irs-releases-2021-tax-rates-standard-deduction-amounts-and-more>

Source: <https://www.journalofaccountancy.com/news/2020/oct/2021-irs-tax-tables-inflation-adjustments.html#:~:text=The%20basic%20exclusion%20amount%20for,tax%20exclusion%20amount%20remains%20%2415%2C000>

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.

This content is for general informational purposes only. It is not intended to provide fiduciary, tax, or legal advice and cannot be used to avoid tax penalties; nor is it intended to market, promote, or recommend any tax plan or arrangement.

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.

2021 Federal Tax & Benefit Reference Guide

Social Security

Taxable Wage Base

Maximum earnings (during workings years) subject to payroll tax	\$142,800
Medicare (Hospital Insurance)	No limit

Retirement Earning Test

Under full retirement age	\$18,960
Year reaching full retirement age	\$50,520

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	> \$34,000
Married filing jointly	< \$32,000	\$32,000 – \$44,000 MAGI	> \$44,000 MAGI
Married filing separately	up to 85% of benefits are taxable		

FICA Tax Rates

	Self-Employed	Employee
OASDI (Social Security)	12.40%	6.25%
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	\$3,600
Family	\$7,200
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

Source: Internal Revenue Service, January 27, 2021, Social Security Administration website www.SSA.gov, IRS Publication 590

Source: <https://www.kiplinger.com/taxes/tax-brackets/601635/irs-releases-income-tax-brackets-for-2021>

Source: <https://www.thewealthadvisor.com/article/irs-releases-2021-tax-rates-standard-deduction-amounts-and-more>

Source: <https://www.journalofaccountancy.com/news/2020/oct/2021-irs-tax-tables-inflation-adjustments.html#:~:text=The%20basic%20exclusion%20amount%20for,tax%20exclusion%20amount%20remains%20%2415%2C000>

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.

This content is for general informational purposes only. It is not intended to provide fiduciary, tax, or legal advice and cannot be used to avoid tax penalties; nor is it intended to market, promote, or recommend any tax plan or arrangement.

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.