

2020 Tax Reference Guide



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to learn more about the financial resources and support I can provide.

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Employer plan/IRA contributions

Employer plans	2019	2020
Elective deferrals for 401(k), 403(b), 457	\$19,000	\$19,500
Catch-up contributions 401(k), 403(b), 457	\$6,000	\$6,500
Defined contribution plan limit	\$56,000	\$57,000
SEP IRA annual addition limit	\$56,000	\$57,000
SIMPLE IRA & 401(k) limit	\$13,000	\$13,500
SIMPLE IRA & 401(k) catch-up	\$3,000	\$3,000
Maximum includable compensation	\$280,000	\$285,000
Annual benefit limit	\$225,000	\$230,000
Highly compensated employee	\$125,000	\$130,000
Key employee	\$180,000	\$185,000
SEP minimum earnings limit	\$600	\$600

Traditional and Roth IRA contributions

	2019	2020
Traditional and Roth IRA contribution limit	\$6,000	\$6,000
Catch-up contribution	\$1,000	\$1,000

Traditional IRA deduction phase outs

	2019	2020
Single or HoFH	\$64,000-74,000	\$65,000-75,000
MFJ	\$103,000-123,000	\$104,000-124,000
MFS	\$0-10,000	\$0-10,000
Spousal contributions	\$193,000-203,000	\$196,000-206,000

Roth IRA contribution phase-outs

	2019	2020
Single or HoFH	\$122,000-137,000	\$124,000-139,000
MFJ	\$193,000-203,000	\$196,000-206,000
MFS	\$0-10,000	\$0-10,000

Employer plan/IRA distributions

Uniform life expectancy table (ULET)

Age	Distribution		Age	Distribution	
	Period	%		Period	%
70	27.4	3.65%	93	9.6	10.42%
71	26.5	3.77%	94	9.1	10.99%
72	25.6	3.91%	95	8.6	11.63%
73	24.7	4.05%	96	8.1	12.35%
74	23.8	4.20%	97	7.6	13.16%
75	22.9	4.37%	98	7.1	14.08%
76	22.0	4.55%	99	6.7	14.93%
77	21.2	4.72%	100	6.3	15.87%
78	20.3	4.93%	101	5.9	16.95%
79	19.5	5.13%	102	5.5	18.18%
80	18.7	5.35%	103	5.2	19.23%
81	17.9	5.59%	104	4.9	20.41%
82	17.1	5.85%	105	4.5	22.22%
83	16.3	6.13%	106	4.2	23.81%
84	15.5	6.45%	107	3.9	25.64%
85	14.8	6.76%	108	3.7	27.03%
86	14.1	7.09%	109	3.4	29.41%
87	13.4	7.46%	110	3.1	32.26%
88	12.7	7.87%	111	2.9	34.48%
89	12.0	8.33%	112	2.6	38.46%
90	11.4	8.77%	113	2.4	41.67%
91	10.8	9.26%	114	2.1	47.62%
92	10.2	9.80%	115+	1.9	52.63%

Use ULET for calculating RMDs during account holder's life.

$$\text{RMD formula} = \frac{\text{Prior year 12/31 account balance}}{\text{Life expectancy}^1}$$

¹Life expectancy = distribution period for age you will turn in the distribution year

Required distributions options after death

Designated beneficiary							
Spouse	Treat as your own or Inherited IRA/Life Expectancy 10-year rule with exceptions for: disabled, chronically ill, minor child, individuals not more than 10 years younger than deceased						
Non-spouse	<table border="1"> <thead> <tr> <th>Death prior to required beginning date (RBD)</th> <th>Death on or after RBD</th> </tr> </thead> <tbody> <tr> <td>None</td> <td>5-year rule</td> </tr> <tr> <td></td> <td>Life expectancy of account holder</td> </tr> </tbody> </table>	Death prior to required beginning date (RBD)	Death on or after RBD	None	5-year rule		Life expectancy of account holder
Death prior to required beginning date (RBD)	Death on or after RBD						
None	5-year rule						
	Life expectancy of account holder						
Plans may require faster payout than RMD rules require							

Early retirement—Exceptions to the 10% penalty for distributions prior to age 59½

	NQ annuity	Qualified plans	IRAs
Death	X	X	X
Disability	X	X	X
Substantially equal pmts. (72t)	X	X	X
Medical exp. (limited to ded. amt.)		X	X
College expenses			X
Health ins. prem. for unemployed			X
Qualified first-time homebuyer/reservist/hurricane			X
Age 55 and separated from service/QDRO		X	
Immediate annuity	X		

Life expectancy

IRS life expectancy tables

Age	Single	Joint	Age	Single	Joint
50	34.2	40.4	71	16.3	20.9
51	33.3	39.5	72	15.5	20.0
52	32.3	38.5	73	14.8	19.2
53	31.4	37.5	74	14.1	18.4
54	30.5	36.6	75	13.4	17.6
55	29.6	35.6	76	12.7	16.8
56	28.7	34.7	77	12.1	16.0
57	27.9	33.7	78	11.4	15.2
58	27.0	32.8	79	10.8	14.5
59	26.1	31.8	80	10.2	13.8
60	25.2	30.9	81	9.7	13.1
61	24.4	29.9	82	9.1	12.4
62	23.5	29.0	83	8.6	11.7
63	22.7	28.1	84	8.1	11.1
64	21.8	27.1	85	7.6	10.5
65	21.0	26.2	86	7.1	9.9
66	20.2	25.3	87	6.7	9.4
67	19.4	24.4	88	6.3	8.8
68	18.6	23.5	89	5.9	8.3
69	17.8	22.6	90	5.5	7.8
70	17.0	21.8			

Joint = Joint life expectancy of male and female of the same age

LTC / ACA

Long term care insurance deduction

Attained age before the close of the taxable year

Maximum deduction for	2019	2020
40 or less	\$420	\$430
More than 40 but not more than 50	\$790	\$810
More than 50 but not more than 60	\$1,580	\$1,630
More than 60 but not more than 70	\$4,220	\$4,350
More than 70	\$5,270	\$5,430

Net investment income tax

3.8% on the lesser of net investment income or MAGI over the following thresholds:

Single	\$200,000
MFJ	\$250,000
HoFH	\$200,000
MFS	\$125,000

Please refer to Securian Financial's Social Security Quick Guide for Social Security tax topics.

2019 income tax rates

Taxable income over	Not over	Tax is	Plus	Of amount over
Single				
\$0	\$9,700	\$0	10%	\$0
\$9,700	\$39,475	\$970	12%	\$9,700
\$39,475	\$84,200	\$4,543	22%	\$39,475
\$84,200	\$160,725	\$14,383	24%	\$84,200
\$160,725	\$204,100	\$32,749	32%	\$160,725
\$204,100	\$510,300	\$46,629	35%	\$204,100
\$510,300		\$153,799	37%	\$510,300

Married filing joint (MFJ)

\$0	\$19,400	\$0	10%	\$0
\$19,400	\$78,950	\$1,940	12%	\$19,400
\$78,950	\$168,400	\$9,086	22%	\$78,950
\$168,400	\$321,450	\$28,765	24%	\$168,400
\$321,450	\$408,200	\$65,497	32%	\$321,450
\$408,200	\$612,350	\$93,257	35%	\$408,200
\$612,350		\$164,710	37%	\$612,350

Head of households (HofH)

\$0	\$13,850	\$0	10%	\$0
\$13,850	\$52,850	\$1,385	12%	\$13,850
\$52,850	\$84,200	\$6,065	22%	\$52,850
\$84,200	\$160,700	\$12,962	24%	\$84,200
\$160,700	\$204,100	\$31,322	32%	\$160,700
\$204,100	\$510,300	\$45,210	35%	\$204,100
\$510,300		\$152,380	37%	\$510,300

Married filing separate returns (MFS)

\$0	\$9,700	\$0	10%	\$0
\$9,700	\$39,475	\$970	12%	\$9,700
\$39,475	\$84,200	\$4,543	22%	\$39,475
\$84,200	\$160,725	\$14,383	24%	\$84,200
\$160,725	\$204,100	\$32,749	32%	\$160,725
\$204,100	\$510,300	\$46,629	35%	\$204,100
\$510,300		\$153,799	37%	\$510,300

Estate and trusts

\$0	\$2,600	\$0	10%	\$0
\$2,600	\$9,300	\$260	24%	\$2,600
\$9,300	\$12,750	\$1,868	35%	\$9,300
\$12,750		\$3,075.50	37%	\$12,750

2020 income tax rates

Taxable income over	Not over	Tax is	Plus	Of amount over
Single				
\$0	\$9,875	\$0	10%	\$0
\$9,875	\$40,125	\$988	12%	\$9,875
\$40,125	\$85,525	\$4,618	22%	\$40,125
\$85,525	\$163,300	\$14,606	24%	\$85,525
\$163,300	\$207,350	\$33,272	32%	\$163,300
\$207,350	\$518,400	\$47,368	35%	\$207,350
\$518,400		\$156,235	37%	\$518,400

Married filing joint (MFJ)

\$0	\$19,750	\$0	10%	\$0
\$19,750	\$80,250	\$1,975	12%	\$19,750
\$80,250	\$171,050	\$9,235	22%	\$80,250
\$171,050	\$326,600	\$29,211	24%	\$171,050
\$326,600	\$414,700	\$66,543	32%	\$326,600
\$414,700	\$622,050	\$94,735	35%	\$414,700
\$622,050		\$167,308	37%	\$622,050

Head of households (HofH)

\$0	\$14,100	\$0	10%	\$0
\$14,100	\$53,700	\$1,410	12%	\$14,100
\$53,700	\$85,500	\$6,162	22%	\$53,700
\$85,500	\$163,300	\$13,158	24%	\$85,500
\$163,300	\$207,350	\$31,830	32%	\$163,300
\$207,350	\$518,400	\$45,926	35%	\$207,350
\$518,400		\$154,794	37%	\$518,400

Married filing separate returns (MFS)

\$0	\$9,875	\$0	10%	\$0
\$9,875	\$40,125	\$988	12%	\$9,875
\$40,125	\$85,525	\$4,618	22%	\$40,125
\$85,525	\$163,300	\$14,606	24%	\$85,525
\$163,300	\$207,350	\$33,272	32%	\$163,300
\$207,350	\$518,400	\$47,368	35%	\$207,350
\$518,400		\$156,235	37%	\$518,400

Estate and trusts

\$0	\$2,600	\$0	10%	\$0
\$2,600	\$9,450	\$260	24%	\$2,600
\$9,450	\$12,950	\$1,904	35%	\$9,450
\$12,950		\$3,129	37%	\$12,950

Additional income tax information

Personal exemption: Repealed in 2018

Standard deduction

	2019		2020	
	Single	MFJ	Single	MFJ
	\$12,200	\$24,400	\$12,400	\$24,800
	\$1,650	\$1,650	\$1,650	\$1,650

Add'l \$1,300 if > 65 or blind. This amount increases to \$1,650 if also unmarried

Child tax credit — 2020

\$2,000
No more than \$1,400 per child is refundable.

Capital gain/dividend rates — 2020

Short term <12 mos	Ordinary rate	Ordinary rate	Ordinary rate
Long term >12 mos	0%	15%	20%
Qualified dividends	0%	15%	20%

Gift tax and GST tax

	2019	2020
Single	\$11,400,000	\$11,580,000
Couples	\$22,800,000	\$23,160,000
GST exclusion	\$11,400,000	\$11,580,000

Business Entities — 2020

C corporations: taxed at 21% flat rate

Pass-through entities: 20% deduction on qualified business income through these thresholds:*

	\$0	\$163,300	\$213,300
Service business	20%	Phase out	... no deduction
Non-service business	20%	Phase in	... 20% with W-2 & capital limits

*For individuals; 2x for Married Filing Jointly

Estate, gift and corporate taxes

Estate and gift tax rates — 2020

Taxable gift/estate	Over	Not over	Tax on column 1	Rate on excess
	\$0	\$10,000	\$0	18%
	\$10,000	\$20,000	\$1,800	20%
	\$20,000	\$40,000	\$3,800	22%
	\$40,000	\$60,000	\$8,200	24%
	\$60,000	\$80,000	\$13,000	26%
	\$80,000	\$100,000	\$18,200	28%
	\$100,000	\$150,000	\$23,800	30%
	\$150,000	\$250,000	\$38,800	32%
	\$250,000	\$500,000	\$70,800	34%
	\$500,000	\$750,000	\$155,800	37%
	\$750,000	\$1,000,000	\$248,300	39%
	\$1,000,000	and over	\$345,800	40%

Exclusion equivalent and applicable credit

	Exclusion equivalent	Applicable credit	Top estate Tax rate
2017	\$5,490,000	\$2,141,800	40%
2018	\$11,180,000	\$4,417,800	40%
2019	\$11,400,000	\$4,505,800	40%
2020	\$11,580,000	4,577,800	40%

Subtract applicable credit from tax calculated above.



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