

# 2021 Tax Reference Guide



**Securian  
Financial Group**

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## Employer plan/IRA contributions

Employer plans	2020	2021
Elective deferrals for 401(k), 403(b), 457	\$19,500	\$19,500
Catch-up contributions 401(k), 403(b), 457	\$6,500	\$6,500
Defined contribution plan limit	\$57,000	\$58,000
SEP IRA annual addition limit	\$57,000	\$58,000
SIMPLE IRA & 401(k) limit	\$13,500	\$13,500
SIMPLE IRA & 401(k) catch-up	\$3,000	\$3,000
Maximum includable compensation	\$285,000	\$290,000
Annual benefit limit	\$230,000	\$230,000
Highly compensated employee	\$130,000	\$130,000
Key employee	\$185,000	\$185,000
SEP minimum earnings limit	\$600	\$650

### Traditional and Roth IRA contributions

	2020	2021
Traditional and Roth IRA contribution limit	\$6,000	\$6,000
Catch-up contribution	\$1,000	\$1,000

### Traditional IRA deduction phase outs

	2020	2021
Single or HoFH	\$65,000-75,000	\$66,000-76,000
MFJ	\$104,000-124,000	\$105,000-125,000
MFS	\$0-10,000	\$0-10,000
Spousal contributions	\$196,000-206,000	\$198,000-208,000

### Roth IRA contribution phase-outs

	2020	2021
Single or HoFH	\$124,000-139,000	\$125,000-140,000
MFJ	\$196,000-206,000	\$198,000-208,000
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.

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

<sup>1</sup>Life expectancy = distribution period for age you will turn in the distribution year

### Required distributions options after death

Beneficiary	Options
Spouse	Treat as your own or Inherited IRA/Life Expectancy
Non-spouse	10-year rule with exceptions for: disabled, chronically ill, minor child, individuals not more than 10 years younger than deceased
None	Death prior to required beginning date (RBD)
	Death on or after RBD

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

	NO 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		Age	Single	
	Joint	Joint		Joint	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	2020	2021
40 or less	\$430	\$450
More than 40 but not more than 50	\$810	\$850
More than 50 but not more than 60	\$1,630	\$1,690
More than 60 but not more than 70	\$4,350	\$4,520
More than 70	\$5,430	\$5,640

### 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.

## 2020 income tax rates

Taxable income over	Not over	Tax is	Plus	Of amount over
<b>Single</b>				
\$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)

Taxable income over	Not over	Tax is	Plus	Of amount over
\$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)

Taxable income over	Not over	Tax is	Plus	Of amount over
\$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)

Taxable income over	Not over	Tax is	Plus	Of amount over
\$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	\$311,025	\$47,368	35%	\$207,350
\$311,025		\$83,654	37%	\$311,025

### Estate and trusts

Taxable income over	Not over	Tax is	Plus	Of amount over
\$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

## 2021 income tax rates

Taxable income over	Not over	Tax is	Plus	Of amount over
<b>Single</b>				
\$0	\$9,950	\$0	10%	\$0
\$9,950	\$40,525	\$995	12%	\$9,950
\$40,525	\$86,375	\$4,664	22%	\$40,525
\$86,375	\$164,925	\$14,751	24%	\$86,375
\$164,925	\$209,425	\$33,603	32%	\$164,925
\$209,425	\$523,600	\$47,843	35%	\$209,425
\$523,600		\$157,804	37%	\$523,600

### Married filing joint (MFJ)

Taxable income over	Not over	Tax is	Plus	Of amount over
\$0	\$19,900	\$0	10%	\$0
\$19,900	\$81,050	\$1,990	12%	\$19,900
\$81,050	\$172,750	\$9,328	22%	\$81,050
\$172,750	\$329,850	\$29,502	24%	\$172,750
\$329,850	\$418,850	\$67,206	32%	\$329,850
\$418,850	\$628,300	\$95,686	35%	\$418,850
\$628,300		\$168,994	37%	\$628,300

### Head of households (HofH)

Taxable income over	Not over	Tax is	Plus	Of amount over
\$0	\$14,200	\$0	10%	\$0
\$14,200	\$54,200	\$1,420	12%	\$14,200
\$54,200	\$86,350	\$6,220	22%	\$54,200
\$86,350	\$164,900	\$13,293	24%	\$86,350
\$164,900	\$209,400	\$32,145	32%	\$164,900
\$209,400	\$523,600	\$46,385	35%	\$209,400
\$523,600		\$156,355	37%	\$523,600

### Married filing separate returns (MFS)

Taxable income over	Not over	Tax is	Plus	Of amount over
\$0	\$9,950	\$0	10%	\$0
\$9,950	\$40,525	\$995	12%	\$9,950
\$40,525	\$86,375	\$4,664	22%	\$40,525
\$86,375	\$164,925	\$14,751	24%	\$86,375
\$164,925	\$209,425	\$33,603	32%	\$164,925
\$209,425	\$314,150	\$47,843	35%	\$209,425
\$314,150		\$84,497	37%	\$314,150

### Estate and trusts

Taxable income over	Not over	Tax is	Plus	Of amount over
\$0	\$2,650	\$0	10%	\$0
\$2,650	\$9,550	\$265	24%	\$2,650
\$9,550	\$13,050	\$1,921	35%	\$9,550
\$13,050		\$3,146	37%	\$13,050

## Additional income tax information

### Standard deduction

	2020	2021	2020	2021
Single	\$12,400	\$12,550	\$1,650	\$1,700
MFJ	\$24,800	\$25,100	\$1,300	\$1,350
HofH	\$18,650	\$18,800	\$1,650	\$1,700
MFS	\$12,400	\$12,550	\$1,300	\$1,350

Add'l \$1,350 if > 65 or blind. This amount increases to \$1,700 if also unmarried

### Child tax credit — 2021

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

### Capital gain/dividend rates — 2021

Varies depending on maximum taxable income level under taxpayer's filing status.

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

	2020	2021
Single	\$11,580,000	\$11,700,000
Couples	\$23,160,000	\$23,400,000
GST exclusion	\$11,580,000	\$11,700,000
Annual gift tax exclusion	\$15,000	\$15,000

### Business Entities — 2021

C corporations: taxed at 21% flat rate

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

	\$0	\$164,900	\$214,900
Service business	20%	Phase to	... no deduction
Non-service business	20%	Phase to	... 20% with W-2 & capital limits

\*For individuals; 2x for Married Filing Jointly

## Estate, gift and corporate taxes

### Estate and gift tax rates — 2021

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%
2021	\$11,700,000	\$4,680,000	40%

Subtract applicable credit from tax calculated above.



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