

2020 Quick reference tax planning guide

Retirement plans	
Elective deferrals 401(k), 403(b), 457, and SARSEPs	\$19,500
Catch-up contribution	\$6,500
Defined contribution (\$415(c)(1)(A))	\$57,000
Defined benefit (\$415(b)(1)(A))	\$230,000
SIMPLE plan	\$13,500
SIMPLE catch-up contribution	\$3,000
Maximum includible compensation	\$285,000
Highly compensated employee	
Look back to 2019	\$125,000
Look back to 2020	\$130,000
Key employee (top-heavy plan)	>\$185,000
SEP participation limit	\$600
IRA or Roth IRA contribution limit	\$6,000
IRA or Roth IRA catch-up	\$1,000
IRA deduction phaseout for active participants	
Single	\$65,000-\$75,000
Married filing jointly	\$104,000-\$124,000
Married filing separately	\$0-\$10,000
Spousal IRA	\$196,000-\$206,000
Roth IRA phaseout	
Single	\$124,000-\$139,000
Married filing jointly	\$196,000-\$206,000

Social Security	
SS wage base	\$137,700
FICA tax rate—employee ¹	6.2%
SECA tax rate—self-employed	12.4%
Earnings limitation:	
Below FRA (\$1 for \$2)	\$18,240
Persons reaching FRA (\$1 for \$3)	\$48,600
(Applies only to earnings for months prior to attaining FRA)	
Social Security cost-of-living adjustment	1.6%
Quarter of coverage	\$1,410
Maximum benefit: worker retiring at FRA ^{*See FRA below}	\$3,011
Estimated average monthly benefit	\$1,503

Social Security FRA			
Year of birth	Social Security FRA	Year of birth	Social Security FRA
1943-54	66	1958	66 and 8 months
1955	66 and 2 months	1959	66 and 10 months
1956	66 and 4 months	1960 and later	67
1957	66 and 6 months		

Estate and gift tax	
Annual gift tax exclusion	\$15,000
Estate tax basic exclusion	\$11,580,000
Non-citizen spouse annual gift tax exclusion	\$157,000
Gift tax basic exclusion	\$11,580,000
Generation skipping exemption ²	\$11,580,000
Maximum estate tax rate ³	40%

Standard mileage rates	
Business use	57.5¢ per mile
Charitable use (not indexed)	14¢ per mile
Medical or moving use	17¢ per mile

Medicare	
Monthly premium:	
Part A ⁴	\$458.00
Part B ^{*See Figure 1}	\$144.60
Part A:	
First 60 days—patient pays a deductible	\$1,408
Next 30 days—patient pays per day	\$352
Next 60 days (lifetime reserve days) patient pays per day	\$704
Skilled nursing benefits	
First 20 days—patient pays per day	-0-
Next 80 days—patient pays per day	\$176.00
Over 100 days—patient pays per day	All costs
Part B:	
Deductible	\$198
Coinurance	20%
Part D (Prescription Standard Benefit Model):	
Deductible	\$435
25% coinsurance on next	\$4,020
Out-of-pocket (OOP) threshold	\$6,350
Beneficiary then pays coinsurance amount for additional covered expenses.	

Medicare tax	
(additional payroll tax and unearned income contribution tax)	
Additional Medicare payroll tax (and self-employment tax)	0.90%
Applies to wages and self-employment income exceeding:	
Individuals	\$200,000
Married filing jointly	\$250,000
Married filing separately	\$125,000
Unearned income Medicare contribution tax	3.8%
Applies to lesser of (a) net investment income or (b) modified adjusted gross income exceeding (see income thresholds above)	

Figure 1 2020 Medicare Part B premium rates		
You pay	Modified adjusted gross income ⁵ Single	Married couple
\$144.60	\$87,000 or less	\$174,000 or less
\$202.40	\$87,001 - \$109,000	\$174,001 - \$218,000
\$289.20	\$109,001 - \$136,500	\$218,001 - \$272,000
\$376.20	\$136,501 - \$163,000	\$272,001 - \$326,000
\$462.70	\$163,001 - \$499,999	\$326,001 - \$749,999
\$491.60	\$500,000 and above	\$750,000 and above
You pay	If you are married but you file a separate tax return from your spouse and your yearly income is:	
\$144.60	\$85,000 or less	
\$462.70	\$87,000 - \$413,000	
\$491.60	\$413,000 and above	

Health savings account	
Minimum deductible amount	
Single	\$1,400
Family	\$2,800
Maximum out-of-pocket amount	
Single	\$6,900
Family	\$13,800
HSA statutory contribution maximum	
Single	\$3,550
Family	\$7,100
Catch-up contributions (age 55 or older)	\$1,000

Tax on long-term capital gains and dividends	
Single	
Up to \$39,999	0%
\$40,000 - \$441,449	15%
Over \$441,450	20%
Married filing jointly	
Up to \$79,999	0%
\$80,000 - \$496,599	15%
Over \$496,600	20%
Heads of household	
Up to \$53,599	0%
\$53,600 - \$469,049	15%
Over \$469,050	20%
Married filing separately	
Up to \$39,999	0%
\$40,000 - \$441,450	15%
Over \$441,450	20%
Estates and Trusts	
Up to \$2,650	0%
\$2,650 - \$13,150	15%
Over \$13,150	20%

Investment and insurance products and services including annuities are:

NOT A DEPOSIT • NOT FDIC INSURED • MAY LOSE VALUE • NOT BANK GUARANTEED • NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY

2020 tax rate schedules

If taxable income is: Then the gross tax payable is:

Over	But not over	Amount	Plus (percent)	Of the amount over
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Single taxpayers (other than surviving spouses and heads of households)

\$0	\$9,875	10% of taxable income		
9,876	40,125	\$987.50	12%	\$9,875
40,126	85,525	4,617.50	22%	40,125
85,526	163,300	14,605.50	24%	85,525
163,301	207,350	33,271.50	32%	163,300
207,351	518,400	47,367.50	35%	207,350
518,401	—	156,235	37%	518,400

Heads of Households

\$0	\$14,100	10% of taxable income		
14,101	53,700	\$1,410	12%	\$14,100
53,701	85,500	6,162	22%	53,700
85,501	163,300	13,158	24%	85,500
163,301	207,350	31,830	32%	163,300
207,351	518,400	45,926	35%	207,350
518,401	—	154,793.50	37%	518,400

Married individuals (and surviving spouses) filing joint returns

\$0	\$19,750	10% of taxable income		
19,751	80,250	\$1,975	12%	\$19,750
80,251	171,050	9,235	22%	80,250
171,051	326,600	29,211	24%	171,050
326,601	414,700	66,543	32%	326,600
414,701	622,050	94,735	35%	414,700
622,051	—	167,307.50	37%	622,050

Married individuals filing separate returns

\$0	\$9,875	10% of taxable income		
9,876	40,125	\$987.50	12%	\$9,875
40,126	85,525	4,617.50	22%	40,125
85,526	163,300	14,605.50	24%	85,525
163,301	207,305	33,271.50	32%	163,300
207,351	311,025	47,367.50	35%	207,350
311,026	—	83,653.75	37%	311,025

Fiduciary (estates and trusts) taxpayers

\$0	\$2,600	10% of taxable income		
2,601	9,450	\$260	24%	\$2,600
9,451	12,950	1,904	35%	9,450
12,951	—	3,129	37%	12,950

Income tax exemptions, deductions, and credits

Standard deduction

Single	\$12,400
Married filing jointly	\$24,800
Head of household	\$18,650
Married filing separately	\$12,400
Kiddie tax limited standard deduction	\$1,100

Kiddie tax rate for investment income over \$2,200:
Above \$2,200 - Parents marginal tax rate

Elderly or blind additional deduction

Single	\$1,650
Married	\$1,300

Section 179

Maximum deduction \$1,000,000

Adoption credit (nonrefundable)

Maximum	\$14,300
Phaseout	\$214,520-\$254,520

Miscellaneous items

PBGC maximum monthly benefit (at age 65) \$5,813.00

Archer medical savings account

Single high deductible	\$2,350-\$3,550
Family high deductible	\$4,750-\$7,100
Single out-of-pocket maximum	\$4,750
Family out-of-pocket maximum	\$8,650

LTC per diem limit \$380

LTC premium as medical expense limitation

Age 40 or under	\$430
Age 41-50	\$810
Age 51-60	\$1,630
Age 61-70	\$4,350
Age 71 or older	\$5,430

Qualified longevity annuity contract Max \$135,000

Health care flexible spending account Max \$2,750

Education

EE bonds for education—exclusion phaseout

Single	\$82,350-\$97,350
Married filing jointly	\$123,550-\$153,550

Coverdell education savings account (\$2,000 limit) phaseout

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

Lifetime learning credit—20% of qualified expenses up to \$10,000

Single	\$59,000-\$69,000
Married filing jointly	\$118,000-\$138,000

American opportunity tax credit—maximum of \$2,500

100% up to \$2,000 of qualified expenses
25% on next \$2,000—phaseout:

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

Education loan deduction (\$2,500) phaseout

Single	\$70,000-\$85,000
Married filing jointly	\$140,000-\$170,000

Alternative minimum tax (AMT)

Exemption	Phaseout
Single	\$72,900 \$518,400
Married filing jointly	\$113,400 \$1,036,800
Married filing separately	\$56,700 \$518,400
Trusts and estates	\$25,400 \$84,800

AMT rates

26% up to \$197,900 of AMT base

28% over \$197,900 of AMT base

¹ The FICA tax rate is comprised of two separate payroll taxes: Employer and employee portion—6.20% for Old-Age, Survivors, and Disability Insurance (OASDI), and 1.45% for Hospital Insurance (HI); For self-employed individuals, the SECA is 12.40% for OASDI and 2.90% for HI. Beginning in 2013, taxpayers pay an additional 0.9% HI if self-employment income or wages exceed \$250,000 married filing jointly, \$125,000 married filing separately, or \$200,000 single.

² The GST tax exemption is not portable.

³ A deceased spouse's unused credit amount is portable to a surviving spouse.

⁴ The Part A premium of \$458 per month applies to persons who have fewer than 30 quarters of coverage under Social Security. For those having 30-39 quarters, the Part A Premium is \$252 per month. Source: medicare.gov

⁵ Modified Adjusted Gross Income is defined as Federal Adjusted Gross Income plus Tax-Exempt Interest.

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