

# 2021 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))	\$58,000
Defined benefit (§415(b)(1)(A))	\$230,000
SIMPLE plan	\$13,500
SIMPLE catch-up contribution	\$3,000
Maximum includible compensation	\$290,000
Highly compensated employee	
Look back to 2020	\$130,000
Look back to 2021	\$135,000
Key employee (top-heavy plan)	\$185,000
SEP participation limit	\$650
IRA or Roth IRA contribution limit	\$6,000
IRA or Roth IRA catch-up	\$1,000
IRA deduction phaseout for active participants	
Single	\$66,000-\$76,000
Married filing jointly	\$105,000-\$125,000
Married filing separately	\$0-\$10,000
Spousal IRA	\$198,000-\$208,000
Roth IRA phaseout	
Single	\$125,000-\$140,000
Married filing jointly	\$198,000-\$208,000

Social Security	
SS wage base	\$142,800
FICA tax rate—employee <sup>1</sup>	6.2%
SECA tax rate—self-employed	12.4%
Earnings limitation:	
Below FRA (\$1 for \$2)	\$18,940
Persons reaching FRA (\$1 for \$3)	\$48,600
(Applies only to earnings for months prior to attaining FRA)	
Social Security cost-of-living adjustment	1.3%
Quarter of coverage	\$1,470
Maximum benefit: worker retiring at FRA <sup>*See FRA below</sup>	\$3,148
Estimated average monthly benefit	\$1,543

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	\$11,700,000
Non-citizen spouse annual gift tax exclusion	\$159,000
Gift tax basic exclusion	\$11,700,000
Generation skipping exemption <sup>2</sup>	\$11,700,000
Maximum estate tax rate <sup>3</sup>	40%

Standard mileage rates	
Business use	56¢ per mile
Charitable use (not indexed)	14¢ per mile
Medical or moving use	16¢ per mile

Medicare	
Monthly premium:	
Part A <sup>4</sup>	\$471.00
Part B <sup>*See Figure 1</sup>	\$148.50
Part A:	
First 60 days—patient pays a deductible	\$1,484
Next 30 days—patient pays per day	\$371
Next 60 days (lifetime reserve days) patient pays per day	\$742
Skilled nursing benefits	
First 20 days—patient pays per day	-0-
Next 80 days—patient pays per day	\$185.50
Over 100 days—patient pays per day	All costs
Part B:	
Deductible	\$203
Coinsurance	20%
Part D (Prescription Standard Benefit Model):	
Deductible	\$445
25% coinsurance on next	\$4,130
Out-of-pocket (OOP) threshold	\$6,550
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 2021 Medicare Part B premium rates		
You pay	Modified adjusted gross income <sup>5</sup>	
	Single	Married couple
\$148.50	\$88,000 or less	\$176,000 or less
Base prem		
\$207.90	\$88,001 - \$111,000	\$176,001 - \$222,000
\$297.00	\$111,001 - \$138,000	\$222,001 - \$276,000
\$386.10	\$138,001 - \$165,000	\$276,001 - \$330,000
\$475.20	\$165,001 - \$499,999	\$330,001 - \$749,999
\$504.90	\$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:	
\$148.50	\$88,000 or less	
\$475.20	\$88,000 - \$412,000	
\$504.90	\$412,000 and above	

Health savings account	
Minimum deductible amount	
Single	\$1,400
Family	\$2,800
Maximum out-of-pocket amount	
Single	\$7,000
Family	\$14,000
HSA statutory contribution maximum	
Single	\$3,600
Family	\$7,200
Catch-up contributions (age 55 or older)	\$1,000

Tax on long-term capital gains and dividends	
Single	
Up to \$40,000	0%
\$40,001 - \$445,850	15%
Over \$445,850	20%
Married filing jointly	
Up to \$80,800	0%
\$80,801 - \$501,600	15%
Over \$501,600	20%
Heads of household	
Up to \$54,100	0%
\$54,101 - \$473,750	15%
Over \$473,750	20%
Married filing separately	
Up to \$40,400	0%
\$40,401 - \$250,800	15%
Over \$250,801	20%
Estates and Trusts	
Up to \$2,700	0%
\$2,701 - \$13,250	15%
Over \$13,251	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

[ 1 ] Important disclosures provided on page 2.

**2021 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	\$9,950	10% of taxable income		
9,950	40,525	\$995	12%	\$9,950
40,526	86,375	4,664	22%	40,525
86,376	164,925	14,751	24%	86,375
164,926	209,425	33,603	32%	164,925
209,426	523,600	47,843	35%	209,425
523,601	—	157,804.25	37%	523,600

**Heads of Households**

\$0	\$14,200	10% of taxable income		
14,201	54,200	\$1,420	12%	\$14,200
54,201	86,350	6,220	22%	54,200
86,351	164,900	13,293	24%	86,350
164,901	209,400	32,145	32%	164,900
209,401	523,600	46,385	35%	209,400
523,601	—	156,355	37%	523,600

**Married individuals (and surviving spouses) filing joint returns**

\$0	\$19,900	10% of taxable income		
19,901	81,050	\$1,990	12%	\$19,900
81,051	172,750	9,238	22%	81,050
172,751	329,850	29,502	24%	172,750
329,851	418,850	67,206	32%	329,850
418,851	628,300	95,686	35%	418,850
628,301	—	168,993.50	37%	628,300

**Married individuals filing separate returns**

\$0	\$9,950	10% of taxable income		
9,951	40,525	\$995	12%	\$9,950
40,526	86,375	4,664	22%	40,525
86,376	164,925	14,751	24%	86,375
164,926	209,425	33,603	32%	164,925
209,426	314,150	47,843	35%	209,425
314,151	—	84,496	37%	314,150

**Fiduciary (estates and trusts) taxpayers**

\$0	\$2,650	10% of taxable income		
2,651	9,550	\$265	24%	\$2,650
9,551	13,050	1,921	35%	9,550
13,051	—	3,146	37%	13,050

**Income tax exemptions, deductions, and credits**

**Standard deduction**

Single	\$12,550
Married filing jointly	\$25,100
Head of household	\$18,800
Married filing separately	\$12,500
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	\$1,700
Married	\$1,350

**Section 179**

Maximum deduction \$1,050,000

**Adoption credit (nonrefundable)**

Maximum	\$14,400
Phaseout	\$216,600-\$256,600

**Miscellaneous items**

PBGC maximum monthly benefit (at age 65) \$6,034.09

**Archer medical savings account**

Single high deductible	\$2,400-\$3,600
Family high deductible	\$4,800-\$7,150
Single out-of-pocket maximum	\$4,800
Family out-of-pocket maximum	\$8,750

LTC per diem limit \$400

**LTC premium as medical expense limitation**

Age 40 or under	\$450
Age 41-50	\$850
Age 51-60	\$1,690
Age 61-70	\$4,520
Age 71 or older	\$5,640

Qualified longevity annuity contract Max \$135,000

Health care flexible spending account Max \$2,750

**Education**

**EE bonds for education—exclusion phaseout**

Single	\$83,200-\$98,200
Married filing jointly	\$124,800-\$154,000

**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	\$119,000-\$139,000

**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	\$73,600	\$523,600
Married filing jointly	\$114,600	\$1,047,200
Married filing separately	\$57,300	\$523,600
Trusts and estates	\$25,700	\$85,650

**AMT rates**

26% up to \$199,900 of AMT base  
28% over \$199,900 of AMT base

<sup>1</sup> 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.

<sup>2</sup> The GST tax exemption is not portable.

<sup>3</sup> A deceased spouse's unused credit amount is portable to a surviving spouse.

<sup>4</sup> The Part A premium of \$471 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 \$259 per month. Source: medicare.gov.

<sup>5</sup> Modified Adjusted Gross Income is defined as Federal Adjusted Gross Income plus Tax-Exempt Interest.

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