

2020-2021 TAX & CHARITABLE REFERENCE GUIDE

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General Instructions for
Forms W-2 and W-3



Form **1040** Department of the Treasury—Internal Revenue Service
U.S. Individual Income Tax Return

Filing Status
Check only one box

Single

W-4

Employee's Withholding Allowance Certificate

- ▶ Complete Form W-4 so that your employer can withhold the correct amount of federal income tax from your pay.
- ▶ Give Form W-4 to your employer.
- ▶ Your withholding is subject to change.

Profit or Loss From Business (Sole Proprietorship)

- ▶ Go to www.irs.gov/ScheduleC for instructions and the latest information.
- ▶ Attach to Form 1040, 1040-SR, 1040-NR, or 1041; partnerships generally must file

RETIREMENT PLANS

	2021	2020
Maximum elective deferral to 401(k) and 403(b) plans	\$19,500	\$19,500
Catch-Up Contribution Limit for 401(k) and 403(b) plans	\$6,500	\$6,500
Maximum elective deferral to SIMPLE IRAs	\$13,500	\$13,500
Catch-Up Contribution Limit for SIMPLE Retirement Plans	\$3,000	\$3,000
IRA Contribution Limit	\$6,000	\$6,000
Catch-Up Contribution Limit for IRAs	\$1,000	\$1,000
Annual limit on additions to defined contribution plans	\$58,000	\$57,000
Defined Benefit Plan Annual Benefit Limit	\$230,000	\$230,000
Annual Compensation Limit	\$290,000	\$285,000
Maximum elective deferral to 457 plans of exempt employers	\$19,500	\$19,500
Threshold amount to determine if someone is a key employee in top-heavy plans	\$185,000	\$185,000
Threshold amount to determine if someone is a highly compensated employee	\$130,000	\$130,000
Social Security Wage Base	\$142,800	\$137,700
Medicare Wage Base	None	None

IRS UNIFORM LIFETIME TABLE (2020-21)

Age of Account Owner	Distribution Period
70	27.4
71	26.5
72	25.6
73	24.7
74	23.8
75	22.9
76	22.0
77	21.2
78	20.3
79	19.5
80	18.7
81	17.9

Required Minimum Distributions

The Uniform Lifetime Table can be used by all IRA owners unless their sole beneficiary for the entire year is a spouse who is more than 10 years younger. Then the regular Joint Life Expectancy Table is used (see IRS Pub. 590), which could reduce the required minimum distribution even further.

HEALTH SAVINGS ACCOUNTS (HSAs)

Annual Contribution Limits	2021	2020
Individual	\$3,600	\$3,550
Family	\$7,200	\$7,100
Age 55 or older	\$1,000 additional	\$1,000 additional

STANDARD MILEAGE RATES

	2021	2020
Business	56 cents per mile	57.5 cents per mile
Moving	16 cents per mile	17 cents per mile
Medical	16 cents per mile	17 cents per mile
Charitable	14 cents per mile	14 cents per mile

INDIVIDUAL TAX BRACKETS (2021)

Single		Married Filing Jointly		Head of Household	
Taxable Income	Amount Owed	Taxable Income	Amount Owed	Taxable Income	Amount Owed
\$0-	10% of	\$0-	10% of	\$0-	10% of
\$9,950	taxable income	\$19,900	taxable income	\$14,200	taxable income
\$9,951-	\$995 + 12% of the	\$19,901-	\$1,990 + 12% of the	\$14,201-	\$1,420 + 12% of the
\$40,525	amount over \$9,950	\$81,050	amount over \$19,900	\$54,200	amount over \$14,200
\$40,526-	\$4,664 + 22% of the	\$81,051-	\$9,328 + 22% of the	\$54,201-	\$6,220 + 22% of the
\$86,375	amount over \$40,525	\$172,750	amount over \$81,050	\$86,350	amount over \$54,200
\$86,376-	\$14,751 + 24% of the	\$172,751-	\$29,502 + 24% of the	\$86,351-	\$13,293 + 24% of the
\$164,925	amount over \$86,375	\$329,850	amount over \$172,750	\$164,900	amount over \$86,350
\$164,926-	\$33,603 + 32% of the	\$329,851-	\$67,206 + 32% of the	\$164,901-	\$32,145 + 32% of the
\$209,425	amount over \$164,925	\$418,850	amount over \$329,850	\$209,400	amount over \$164,900
\$209,426-	\$47,843 + 35% of the	\$418,851-	\$95,686 + 35% of the	\$209,401-	\$46,385 + 35% of the
\$523,600	amount over \$209,425	\$628,300	amount over \$418,850	\$523,600	amount over \$209,400
Over	\$157,804.25 + 37% of the	Over	\$168,993.50 + 37% of the	Over	\$156,355 + 37% of the
\$523,600	amount over \$523,600	\$628,300	amount over \$628,300	\$523,600	amount over \$523,600

CAPITAL GAINS

Holding Period	Top Capital Gains Rate 2020-2021
12 months or less	37% ¹
More than 12 months ¹	0% ² , 15% or 20% ³
Depreciation recapture on real estate	25%
Collectibles and certain small business stock	28%

- ¹ Capital gain may be subject to an additional 3.8% Medicare tax.
- ² Zero if in 10-12% bracket. Otherwise, 15%.
- ³ Rate for taxpayers in the middle of the 35% bracket and above.

STANDARD DEDUCTION

Filing Status	Standard Deduction	
	2021	2020
Single	\$12,550	\$12,400
Married Filing Jointly (MFJ)	\$25,100	\$24,800
Married Filing Separately (MFS)	\$12,550	\$12,400
Head of Household (HOH)	\$18,800	\$18,650

LONG-TERM CARE INSURANCE

If you are:	You may deduct this much of your annual premiums:	
	2021	2020
Over 70	\$5,640	\$5,430
61 to 70	\$4,520	\$4,350
51 to 60	\$1,690	\$1,630
41 to 50	\$850	\$810
40 and under	\$450	\$430

ESTATE TAXES / GIFT TAXES

	2021	2020
Estate Tax Exemption – Individual	\$11,700,000	\$11,580,000
Top Estate Tax Rate	40%	40%
Annual Gift Tax Exclusion – Gifts per person	\$15,000	\$15,000
Annual Gift Tax Exclusion – Joint gifts by spouse	\$30,000	\$30,000



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