

# 2020 Annual Limits Relating to Financial Planning



AMERICAN RETIREMENT  
& Investment Strategies, LLC

## Traditional and Roth IRAs

Traditional, MyRA, and Roth IRA Contribution Limits	\$6,000
Traditional, MyRA, and Roth IRA Catch-up Contributions, Age 50+	\$1,000
IRA Deduction Phase-out for Active Participants	
Single	\$65,000 - \$75,000
Married Filing Jointly	\$104,000 - \$124,000
IRA Deduction Phase-out for Spousal Contributions	
Married Filing Jointly	\$196,000 - \$206,000
Roth IRA Contribution Phase-out	
Single	\$124,000 - \$138,999
Married Filing Jointly	\$196,000 - \$205,999

## Employer Retirement Plans

Elective deferrals for 401(k), 403(b), 457 and SAR-SEPs	\$19,500
401(k), 403(b), 457 and SAR-SEP Catch-Up Contribution	\$6,500
Defined Contribution Plan Limit	\$57,000
SEP IRA Contribution	\$57,000 or up to 25%
Maximum Annual Defined Benefit Limit	\$230,000
SIMPLE IRA and SIMPLE 401 (k) Contribution	\$13,500
SIMPLE IRA and SIMPLE 401 (k) Catch-Up Contribution	\$3,000
SIMPLE Maximum Compensation (13,500 / 3%)	\$450,000
Maximum Includable Compensation	\$285,000
Highly Compensated Employee	\$130,000
Key Employee	> \$185,000
SEP Minimum Earnings Limit	\$600
IRS Mileage Rate (Business / Medical, Moving / Charitable purpose)	\$.57.5 / \$.17 / \$.14 per mile
Savers Credit (MAGI) [Maximum Credit is \$2,000 for couples, \$1,000 per individual]	
Joint (Max income \$63,000)	\$0 - \$39 K 50% Phase out 20%, 10% (up to \$65K)
Single (Max income \$31,500)	\$0 - \$19,500 50% Phase out 20%, 10% (up to \$32.5 K)

## Education Funding Incentives

Coverdell Education Savings Account Annual Contribution Limit (Per Beneficiary)	\$2,000
Single	\$95,000 - \$110,000
Married filing jointly	\$190,000 - \$220,000
Phase outs of American Opportunity Tax Credit (Can be claimed for up to 4 years)	\$2,500 (\$2k 100%, next \$2k 25%)
Single	\$80,001 - \$89,999
Married filing jointly	\$160,001 - \$179,999
Phase out of exclusion for EE bonds (MAGI)	
Single	\$81,100 - \$96,100
Married filing jointly	\$121,600 - \$151,600
Phase outs of Lifetime Learning Tax Credits ( 20% of qualified expenses up to \$10k)	
Max. Credit \$2,000/return (Cannot take both credits in same year)	
Single	\$59,001 - \$68,999
Married filing jointly	\$118,001 - \$137,999
Phase outs of Deductibility of Student Loan Interest (Maximum \$2,500)	
Married Filing Jointly	\$140,000 - \$170,000
Others	\$70,000 - \$85,000

*Compliments of your Financial Advisors – Joseph Grella CFP® and William D’Annibale  
For Information Purposes Only, seek tax advice from an independent tax advisor*

## Federal Estate and Gift Taxes

Annual Gift Tax Exclusion	\$15,000
Estate Tax Exclusion, Generation-Skipping Tax Exclusion, and Gift Tax Exclusion	\$11,580,000
Top Estate, Gift and GST Tax Rate	40% (Estate & Trusts Bene.)

## Federal Income Taxes

Standard Deduction	
Single or Married filing separately	\$12,400
Married filing jointly	\$24,800
Head of Household	\$18,650
Elderly or blind additional deduction	
Single / Married filing jointly	\$1,650 / \$1,300
Kiddie Tax Standard Deduction (Under Age 19 or 24 if a full-time student)	\$1,100 tax free, Next \$1,100 is Parent's Rate
Capital Gains Tax	
< \$40,000 (single)    <\$80,000 (joint)	STG Ordinary Rate, LTG 0%
\$40,000 <> \$441,450 (single)    \$80,000 <> \$496,600 (joint)	STG Ordinary Rate, LTG 15%,
\$441,450 + (single)    \$496,600 + (joint)	STG Ordinary Rate, LTG 20%
Medicare Surtax	3.8% Income over \$200k (s)/\$250k (mfj)
Adoption Credit (maximum)	\$14,300 Phase-out \$214,520 - \$254,520
AMT Exemption	Married Filing Jointly \$113,400    Single \$72,900

## Social Security

Taxable Wage Base (Soc. Sec. Maximum)	\$137,700
Social Security Tax Rate	
Old-Age, Survivors and Disability Insurance	12.40% Self-employed, 6.2% Employees
Hospital Insurance	2.9% Self-employed, 1.45% Employees
Medicare Surtax	0.9% Employees Income over \$200k (s)/\$250k (mfj)
Earnings limitations for Social Security Benefits	
Before Normal Retirement Age (\$1 in benefits withheld for every \$2 in earnings over limit)	\$17,640 (\$1,470/mn)
The Year the Individual Reaches Full Retirement Age (\$1 for every \$3 over limit)	\$46,920 (\$3,910/mn)
Income (in retirement) causing SS benefits to be taxed :	Married Filing Jointly (50% / 85% Taxable)
	\$32K MAGI / \$44k MAGI
	Single (50% / 85%)
	\$25K MAGI / \$34k MAGI
Cost of Living Adjustment	2.8%
Quarter of Coverage	\$1,360
Maximum benefit retiring at age 66	\$2,861/month [est. avg. benefit \$1461]

## Long Term Care Insurance & Health Savings Account (HSA)

Per Diem Daily Limit	\$370
Premium as a deductible medical expense limitation (Per person)	
Age 40 or under	\$420
Age 41 - 50	\$790
Age 51 - 60	\$1,580
Age 61 - 70	\$4,220
Age 71 or older	\$5,270
HSA Contribution Maximum (Age 55 to 64 there is a catch-up of \$1000 - per married individual)	\$3,500 (Single) \$7,000 (Family)
Deductible at least \$1,350 for Single, or \$2,700 for Family	

Compliments of your Financial Advisors –

Joseph Grella CFP®  
William D'Annibale

[joeg@investinaris.com](mailto:joeg@investinaris.com)  
[billd@investinaris.com](mailto:billd@investinaris.com)

978.283.1011  
508.533.7370