

2021 Tax Reference Guide



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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.

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

¹Life 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 10-year rule with exceptions for: disabled, chronically ill, minor child, individuals not more than 10 years younger than deceased
Non-spouse	Death prior to required beginning date (RBD) or Death on or after RBD
None	5-year rule or 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

	NQ 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	Joint	Age	Single	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
Single				
\$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
Single				
\$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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