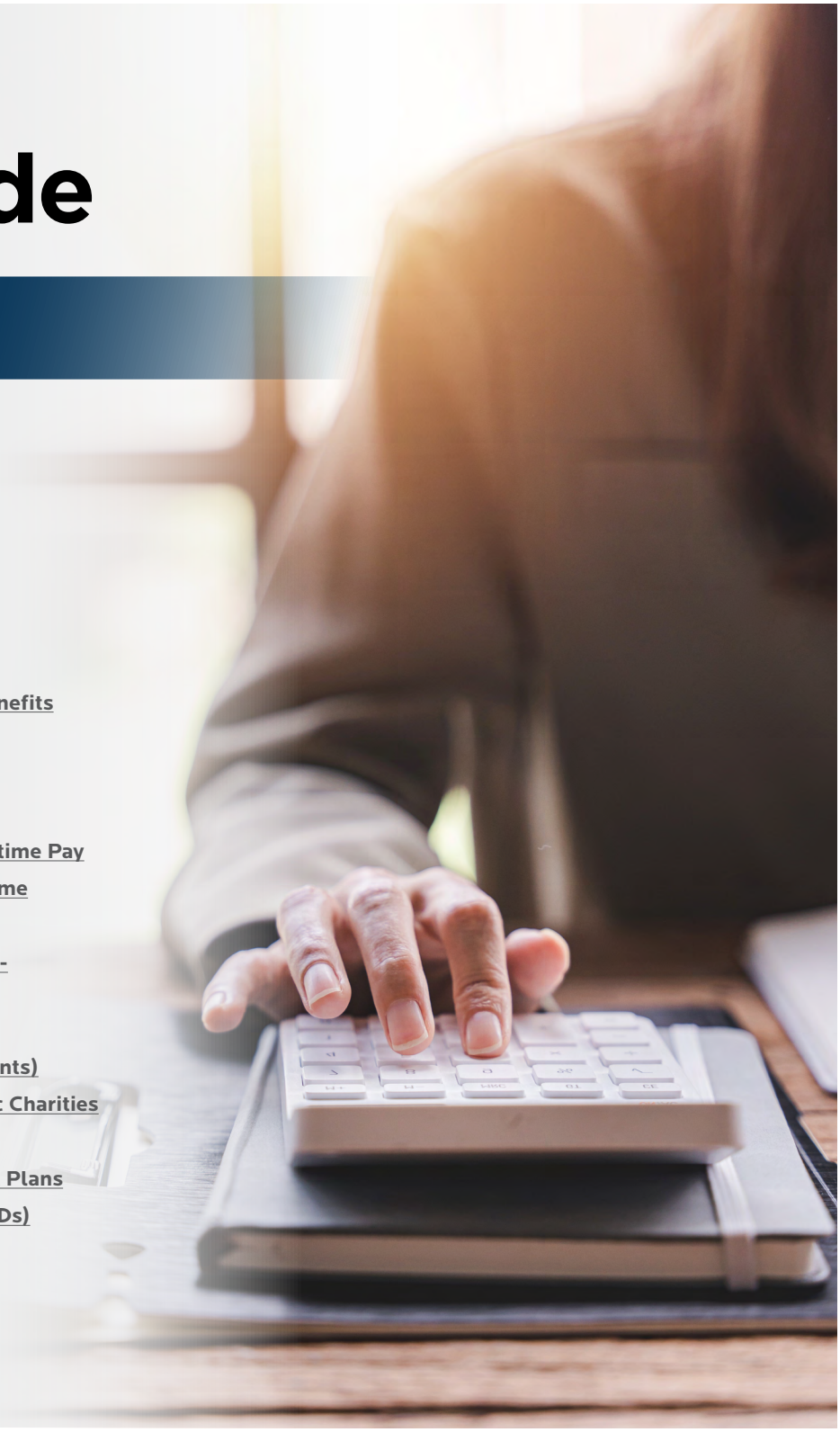
Quick View

Tax Guide

2025 and 2026



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UMass Law

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2025 INCOME AND PAYROLL TAX RATES

SINGLE TAXPAYER RATES

Taxable Income		Tax Before Credits		
Over	But not over	Flat amount	+%	Of excess over
$ 0	$ 11,925	$ 0	10%	$ 0
11,925	48,475	1,192.50	12%	11,925
48,475	103,350	5,578.50	22%	48,475
103,350	197,300	17,651.00	24%	103,350
197,300	250,525	40,199.00	32%	197,300
250,525	626,350	57,231.00	35%	250,525
626,350	----------	188,769.75	37%	626,350

MARRIED FILING JOINTLY RATES

Taxable Income		Tax Before Credits		
Over	But not over	Flat amount	+%	Of excess over
$ 0	$ 23,850	$ 0	10%	$ 0
23,850	96,950	2,385.00	12%	23,850
96,950	206,700	11,157.00	22%	96,950
206,700	394,600	35,302.00	24%	206,700
394,600	501,050	80,398.00	32%	394,600
501,050	751,600	114,462.00	35%	501,050
751,600	----------	202,154.50	37%	751,600

HEAD OF HOUSEHOLD RATES

Taxable Income		Tax Before Credits		
Over	But not over	Flat amount	+%	Of excess over
$ 0	$ 17,000	$ 0	10%	$ 0
17,000	64,850	1,700.00	12%	17,000
64,850	103,350	7,442.00	22%	64,850
103,350	197,300	15,912.00	24%	103,350
197,300	250,500	38,460.00	32%	197,300
250,500	626,350	55,484.00	35%	250,500
626,350	----------	187,031.50	37%	626,350

MARRIED FILING SEPARATELY RATES

Taxable Income		Tax Before Credits		
Over	But not over	Flat amount	+%	Of excess over
$ 0	$ 11,925	$ 0	10%	$ 0
11,925	48,475	1,192.50	12%	11,925
48,475	103,350	5,578.50	22%	48,475
103,350	197,300	17,651.00	24%	103,350
197,300	250,525	40,199.00	32%	197,300
250,525	375,800	57,231.00	35%	250,525
375,800	----------	101,077.25	37%	375,800

TRUSTS AND ESTATES RATES

Taxable Income		Tax Before Credits		
Over	But not over	Flat amount	+%	Of excess over
$ 0	$ 3,150	$ 0	10%	$ 0
3,150	11,450	315.00	24%	3,150
11,450	15,650	2,307.00	35%	11,450
15,650	----------	3,777.00	37%	15,650

SOCIAL SECURITY PAYROLL TAX

	Minimum Taxable Wage Base	Tax Rate	Maximum Tax
Employee	$176,100	6.2%	$10,918.20
Self-employed	$176,100	12.4%	$21,836.40

MEDICARE PART A PAYROLL TAX

	Taxable Wage Base	Tax Rate	Maximum Tax
Employee	Initial $250,000 (joint filers)	1.45%	$3,625.00
	Initial $125,000 (married filing sep.)	1.45%	$1,812.50
	Initial $200,000 (all others)	1.45%	$2,900.00
	Wages over $250,000 (joint filers)	2.35%	(no maximum)
	Wages over $125,000 (married filing sep.)	2.35%	(no maximum)
	Wages over $200,000 (all others)	2.35%	(no maximum)
Employer	All wages	1.45%	
Self-employed	Initial $250,000 (joint filers)	2.9%	$7,250.00
	Initial $125,000 (married filing sep.)	2.9%	$3,625.00
	Initial $200,000 (all others)	2.9%	$5,800.00
	Wages over $250,000 (joint filers)	3.8%	(no maximum)
	Wages over $125,000 (married filing sep.)	3.8%	(no maximum)
	Wages over $200,000 (all others)	3.8%	(no maximum)

MEDICARE PART B PREMIUMS BY INCOME

Single	Married Filing Jointly	Income-Related Monthly Adjusted Amount	Total Monthly Premium
Up to $106,000	Up to $212,000	$0.00	$185.00
$106,001 - $133,000	$212,001 - $266,000	$74.00	$259.00
$133,001 - $167,000	$266,001 - $334,000	$185.00	$370.00
$167,001 - $200,000	$334,001 - $400,000	$295.90	$480.90
$200,001 - $500,000	$400,001 - $750,000	$406.90	$591.90
$500,001 or more	$750,001 or more	$443.90	$628.90

2026 INCOME AND PAYROLL TAX RATES

SINGLE TAXPAYER RATES

Taxable Income		Tax Before Credits		
Over	But not over	Flat amount	+%	Of excess over
$ 0	$ 12,400	$ 0	10%	$ 0
12,400	50,400	1,240.00	12%	12,400
50,400	105,700	5,800.00	22%	50,400
105,700	201,775	17,966.00	24%	105,700
201,775	256,225	41,024.00	32%	201,775
256,225	640,600	58,448.00	35%	256,225
640,600	----------	192,979.25	37%	640,600

MARRIED FILING JOINTLY RATES

Taxable Income		Tax Before Credits		
Over	But not over	Flat amount	+%	Of excess over
$ 0	$ 24,800	$ 0	10%	$ 0
24,800	100,800	2,480.00	12%	24,800
100,800	211,400	11,600.00	22%	100,800
211,400	403,550	35,932.00	24%	211,400
403,550	512,450	82,048.00	32%	403,550
512,450	768,700	116,896.00	35%	512,450
768,700	----------	206,583.50	37%	768,700

HEAD OF HOUSEHOLD RATES

Taxable Income		Tax Before Credits		
Over	But not over	Flat amount	+%	Of excess over
$ 0	$ 17,700	$ 0	10%	$ 0
17,700	67,450	1,770.00	12%	17,700
67,450	105,700	7,740.00	22%	67,450
105,700	201,750	16,155.00	24%	105,700
201,750	256,200	39,207.00	32%	201,750
256,200	640,600	56,631.00	35%	256,200
640,600	----------	191,171.00	37%	640,600

MARRIED FILING SEPARATELY RATES

Taxable Income		Tax Before Credits		
Over	But not over	Flat amount	+%	Of excess over
$ 0	$ 12,400	$ 0	10%	$ 0
12,400	50,400	1,240.00	12%	12,400
50,400	105,700	5,800.00	22%	50,400
105,700	201,775	17,966.00	24%	105,700
201,775	256,225	41,024.00	32%	201,775
256,225	384,350	58,448.00	35%	256,225
384,350	----------	103,291.75	37%	384,350

TRUSTS AND ESTATES RATES

Taxable Income		Tax Before Credits		
Over	But not over	Flat amount	+%	Of excess over
$ 0	$ 3,300	$ 0	10%	$ 0
3,300	11,700	330.00	24%	3,300
11,700	16,000	2,346.00	35%	11,700
16,000	----------	3,851.00	37%	16,000

SOCIAL SECURITY PAYROLL TAX

	Minimum Taxable Wage Base	Tax Rate	Maximum Tax
Employee	$184,500	6.2%	$11,439
Self-employed	$184,500	12.4%	$22,878

MEDICARE PART A PAYROLL TAX

	Taxable Wage Base	Tax Rate	Maximum Tax
Employee	Initial $250,000 (joint filers)	1.45%	$3,625.00
	Initial $125,000 (married filing sep.)	1.45%	$1,812.50
	Initial $200,000 (all others)	1.45%	$2,900.00
	Wages over $250,000 (joint filers)	2.35%	(no maximum)
	Wages over $125,000 (married filing sep.)	2.35%	(no maximum)
	Wages over $200,000 (all others)	2.35%	(no maximum)
Employer	All wages	1.45%	
Self-employed	Initial $250,000 (joint filers)	2.9%	$7,250.00
	Initial $125,000 (married filing sep.)	2.9%	$3,625.00
	Initial $200,000 (all others)	2.9%	$5,800.00
	Wages over $250,000 (joint filers)	3.8%	(no maximum)
	Wages over $125,000 (married filing sep.)	3.8%	(no maximum)
	Wages over $200,000 (all others)	3.8%	(no maximum)

MEDICARE PART B PREMIUMS BY INCOME

Single	Married Filing Jointly	Income-Related Monthly Adjusted Amount	Total Monthly Premium
Up to $109,000	Up to $218,000	$0.00	$202.90
$109,001 - $137,000	$218,001 - $274,000	$81.20	$284.10
$137,001 - $171,000	$274,001 - $342,000	$202.90	$405.80
$171,001 - $205,000	$342,001 - $410,000	$324.60	$527.50
$205,001 - $500,000	$410,001 - $750,000	$446.30	$649.20
$500,001 or more	$750,001 or more	$487.00	$689.90

CORPORATE TAX RATE

Taxable income is taxed at a flat rate of 21%.

ALTERNATIVE MINIMUM TAX

Taxpayers are subject to an "alternative minimum tax" (AMT) instead of the regular income tax when they have substantial "preference income." This is income that is treated favorably under the regular income tax. Basically, the taxpayer must pay whichever tax is higher—the regular tax or the AMT.

Filing Status	2025 Exemption	2026 Exemption
Single or head of household	$88,100	$90,100
Married filing jointly	$137,000	$140,200
Married filing separately	$68,500	$70,100
Estates and trusts	$30,700	$31,400

The exemption amounts are phased out for higher-income taxpayers. The phaseout threshold begins at:

Filing Status	2025	2026
Married filing jointly	$1,252,700	$1,000,000
All other taxpayers	$626,350	$500,000

AMT Income in Excess of Exemption	2025	2026	AMT Rate
First	$239,100*	$244,500*	26%
Above	$239,100	$244,500	28%

* $119,550 / $122,250 for married persons filing separately.

KIDDIE TAX ON UNEARNED INCOME

	2025	2026	Income Tax Bracket
First	$1,350	$1,350	No tax
Next	$1,350	$1,350	Child's bracket
Amounts over	$2,700	$2,700	Parent's bracket

The "kiddie tax" applies to: a) a child under age 18; b) a child age 18 with earned income not exceeding one-half of his or her support; or c) a child age 19-23 with earned income not exceeding one-half of his or her support and who is a full-time student. Also, the child must not file a joint return and must have at least one living parent at the end of the tax year.

CHILD TAX CREDIT

	2025	2026
Standard Child Tax Credit (nonrefundable)	$2,200*	$2,200*
Additional Child Tax Credit (refundable even if no tax is owed)	$1,700*	$1,700*
Credit for Other Dependents (nonrefundable)	$500	$500
Phaseout (credits are reduced by $50 for every $1,000 of MAGI above these amounts)	$200,000 (single) $400,000 (joint)	$200,000 (single) $400,000 (joint)

*Amounts are indexed for inflation.

The eight qualifying tests for eligibility are age, relationship, support, dependent status, citizenship, length of residency, family income, and work-eligible Social Security numbers for both the child and the person claiming the credit.

INCOME TAXATION OF SOCIAL SECURITY BENEFITS

Retired taxpayers with incomes over certain threshold amounts are subject to income tax on their Social Security retirement benefits. The special tax base for determining whether a taxpayer's benefits are subject to tax equals one-half of Social Security benefits plus all other income (including tax-exempt income).

Filing Status	Tax Base	% of Benefits Taxed
Single or head of household	$25,000 - $34,000	50%
	Over $34,000	85%
Married filing jointly	$32,000 - $44,000	50%
	Over $44,000	85%
Married filing separately	Depends on whether the spouses live together during the tax year	

For example, a married couple filing jointly has an adjusted gross income of $30,000, tax-exempt interest of $3,000, and $24,000 in Social Security benefits. The special tax base for the couple equals $45,000, and $6,850 of the Social Security benefits are taxable (.50 x $12,000 = $6,000; .85 x $1,000 = $850; total $6,850).

Retirement Earnings Test Exempt Amounts

	2025	2026
Under full retirement age	$23,400/year ($1,950/month)	$24,480/year ($2,040/month)

NOTE: One dollar in benefits will be withheld for every $2 in earnings above the limit.

Year reaching full retirement age	$62,160/year ($5,180/month)	$65,160/year ($5,430/month)

NOTE: Applies only to earnings for months prior to attaining full retirement age. One dollar in benefits will be withheld for every $3 in earnings above the limit.

STANDARD DEDUCTION

Amount - The standard deduction is a flat amount that a taxpayer may deduct in lieu of itemizing deductions. The standard deduction amount for each taxpayer category is:

Taxpayer Status	2025	2026
Single	$15,750	$16,100
Married filing jointly	$31,500	$32,200
Head of household	$23,625	$24,150
Married filing separately	$15,750	$16,100

Age 65 or Blind - Taxpayers who are age 65 or older, or who are blind, may take an additional standard deduction (provided they do not itemize). For 2025, the additional standard deduction amount was $1,600 if married or $2,000 if the person was unmarried and not a surviving spouse. For 2026, the additional standard deduction amount is $1,650 if married or $2,050 if the person is unmarried and not a surviving spouse.

TEMPORARY DEDUCTION FOR SENIORS

For tax years 2025 through 2028, taxpayers who are age 65 or older may claim an additional $6,000 deduction ($12,000 total for a married couple where both spouses qualify), regardless of itemization status. This deduction phases out when modified adjusted gross income (MAGI) exceeds $75,000 ($150,000 for joint filers).

ITEMIZED DEDUCTIONS

NOTE: Starting in 2026, the tax benefit for itemized deductions for taxpayers in the 37% tax bracket is limited to 35%.

Interest Expense - Most personal interest paid is not deductible, with certain important exceptions:

Deductible	Not Deductible
1. Mortgage interest on one or two residences up to $750,000 of indebtedness (applies only to new mortgages taken out after December 15, 2017; older mortgages remain tied to the $1,000,000 cap)	1. Auto loan interest (with the exception of qualified passenger vehicle loan interest on cars with final assembly in the U.S.)
2. Points on home mortgages	2. Credit card interest
3. Business interest	3. Home equity loan interest*
4. Investment interest up to net investment income	4. Most other consumer loan interest
	5. Prepaid interest other than points on home mortgages

State and Local Taxes - Itemizers may deduct either state and local income taxes or state and local sales taxes. Also, itemizers may deduct state and local real property taxes and personal property taxes. The cap on the combined deduction for state property and income taxes was $40,000 in 2025 and is $40,400 in 2026, subject to phaseout when MAGI exceeds $500,000 in 2025 and $505,000 in 2026 for both individuals and joint filers. Taxpayers may not deduct state and local taxes in calculating the AMT unless they are deductible in computing adjusted gross income ("above-the-line" deductions, not itemized).

Medical and Dental Expenses - Expenses paid for nearly all medical, dental, and vision care during the year, and not reimbursed by insurance or other means, are deductible by itemizers to the extent that the total of such expenses exceeds 7.5% of AGI.

Losses - Individuals can deduct certain types of losses, including 1) business losses incurred in the taxpayer's unincorporated business and 2) investment losses if the investment was originally motivated by profit. Casualty and theft losses are not deductible except for declared national disasters in 2025 or declared national, state, or municipal disasters in 2026.

*The One Big Beautiful Bill Act (OBBBA) retains the previous $750,000 indebtedness limit ($375,000 for married filing separately) and acquisition indebtedness requirements. Eligible loans must be used to buy, build, or improve the taxpayer's residence, excluding home equity loans or lines of credit for other purposes.

DEDUCTION FOR QUALIFIED TIPS AND OVERTIME PAY

For tax years 2025 through 2028, both itemizers and nonitemizers may deduct qualified overtime compensation (up to $25,000 for joint filers and $12,500 for all others) and qualifying tip income (up to $25,000 for all filers), subject to a MAGI phaseout starting at $150,000 ($300,000 for joint filers). These sources of income are included in AGI, subject to payroll tax, and potentially subject to state income tax.

DEDUCTION FOR QUALIFIED BUSINESS INCOME

Owners of pass-through entities are taxed on business income at their individual income tax rates but may claim a 20% deduction of their share of the business income—even if they elect to use the standard deduction instead of itemizing.

Generally, the deduction (subject to a phaseout) is not available to owners of specified service trades or businesses who earn more than the following thresholds on qualified business income (QBI):

Taxpayer Status	2025	2026
Married filing jointly	$394,600	$403,500
Married filing separately	$197,300	$201,775
All others	$197,300	$201,750

In 2025, these business owners faced a deduction phase-in limitation of $50,000 ($100,000 for married filing jointly). In 2026, that limit is $75,000 ($150,000 for married filing jointly).

In 2026, there is a minimum QBI deduction of $400 for taxpayers who materially participate in an active trade or business and have at least $1,000 of QBI.

CAPITAL GAINS AND DIVIDENDS

2025 Maximum Tax Rate on Long-Term Capital Gains and Most Corporate Dividends

Tax Rate	Single	Married (Joint)	Married (Separate)	Head of Household	Estate or Trust
0%	$0 - $48,350	$0 - $96,700	$0 - $48,350	$0 - $64,750	$0 - $3,250
15%	$48,351 - $533,400	$96,701 - $600,050	$48,351 - $300,000	$64,751 - $566,700	$3,251 - $15,900
20%	over $533,400	over $600,050	over $300,000	over $566,700	over $15,900

2026 Maximum Tax Rate on Long-Term Capital Gains and Most Corporate Dividends

Tax Rate	Single	Married (Joint)	Married (Separate)	Head of Household	Estate or Trust
0%	$0 - $49,450	$0 - $98,900	$0 - $49,450	$0 - $66,200	$0 - $3,300
15%	$49,451 - $545,500	$98,901 - $613,700	$49,451 - $306,850	$66,201 - $579,600	$3,301 - $16,250
20%	over $545,500	over $613,700	over $306,850	over $579,600	over $16,250

Holding Period - The long-term rate generally applies to gains on the sale of capital assets held for more than one year.

Short-Term Capital Gains - Net short-term capital gains (on sales of capital assets held for one year or less) are taxed at ordinary income rates.

Collectibles - Long-term capital gain from the sale of collectibles is taxed at a top rate of 28%.

Capital Losses - After capital gains and losses are netted against one another, any remaining net capital loss may be used to offset ordinary income up to $3,000 per year. Any excess net capital loss may be carried over and used in future years.

Sale of a Principal Residence - A seller of any age who has owned and used real property as a principal residence for at least two of the last five years can exclude from gross income up to $250,000 ($500,000 if married filing jointly) of gain realized on a sale.

Additional Tax on High-Income Taxpayers - Individuals with more than $200,000 in income ($250,000 for a married couple filing jointly) who also have investment income will pay an additional tax of 3.8% on net investment income or the excess of MAGI over the threshold amount (whichever amount is less). Investment income is defined as the sum of gross income from items such as interest, dividends, annuities, royalties, and rents, as well as net gain attributable to the disposition of property (i.e., capital gains).

LONG-TERM CARE INSURANCE PREMIUMS - Deductibility Limits

	40 and Younger	41-50	51-60	61-70	71 and Older
2025	$480	$900	$1,800	$4,810	$6,020
2026	$500	$930	$1,860	$4,960	$6,200

Benefits received under a qualified long-term care insurance policy generally are excludable from gross income as amounts received for personal injuries and sickness, subject to a per diem limit ($420 in 2025 and $430 in 2026).

529 PLAN CONTRIBUTIONS

Annual amount per child without incurring the gift tax	$19,000
Accelerate 5 years of giving into 1 year	
Per individual	$95,000
Per couple	$190,000

Starting July 4, 2025, the OBBBA redefined “qualified higher education expenses” to include tuition, fees, books, supplies, equipment, and costs for postsecondary credentials. It also permitted tax-exempt 529 distributions for K-12 expenses (public, private, or religious), covering tuition, curriculum, books, online resources, testing fees, and therapies for students with disabilities. The annual K-12 tuition limit was $10,000 in 2025 and is $20,000 in 2026.

CHILD SAVINGS ACCOUNTS (TRUMP ACCOUNTS)

Starting after July 4, 2026, individuals can make after-tax contributions up to $5,000 to accounts for U.S. citizen minors. Employers can contribute up to $2,500 of that $5,000 total. The U.S. Treasury will provide $1,000 of seed funding for eligible children born during 2025-2028.

DEDUCTIONS FOR CONTRIBUTIONS TO PUBLIC CHARITIES

NOTE: Starting in 2026, nonitemizers can deduct up to $1,000 ($2,000 married filing jointly) for cash contributions to qualified charities (not including donor-advised funds). Itemizers are subject to a "giving floor" and can only deduct charitable contributions that exceed 0.5% of adjusted gross income (AGI).

Type of Property Contributed	Deemed Amount of Contribution	Percentage Limitation 2025 and 2026
Cash	Actual dollar amount	60%
Appreciated ordinary income property or appreciated short-term capital gain property	Donor's tax basis	50%
Appreciated long-term capital gain property		
(a) General rule	Fair market value	30%
(b) Election made to reduce amount of contribution	Donor's tax basis	50%
(c) Tangible personal property put to unrelated use by donee charity	Donor's tax basis	50%

The applicable percentage limitation is applied to the donor's annual contribution base (AGI determined without regard to any net operating loss carryback). Any deductible contributions that exceed the current year's limitations may be carried over and deducted in the five succeeding tax years (subject to limitations).

INDIVIDUAL RETIREMENT ACCOUNTS

Traditional IRA

Contribution Limit - $7,000 ($8,000 for taxpayers age 50+) in 2025. $7,500 ($8,600 for taxpayers age 50+) in 2026. There is no age limit on making contributions to a traditional IRA.

Deduction Limit on Qualified Retirement Plan Participants -

- Taxpayers who do not participate in qualified retirement plans can deduct contributions to an IRA.
- Taxpayers who do participate in qualified retirement plans are subject to a reduced deduction based on MAGI.
- In 2025, the MAGI phaseout of the deduction for single taxpayers begins at $79,000 and the deduction is lost at $89,000. The MAGI phaseout of the deduction for married taxpayers filing jointly begins at $126,000 and the deduction is lost at $146,000.
- In 2026, the MAGI phaseout of the deduction for single taxpayers begins at $81,000 and the deduction is lost at $91,000. The MAGI phaseout of the deduction for married taxpayers filing jointly begins at $129,000 and the deduction is lost at $149,000.

Roth IRA

Contribution Limit - $7,000 ($8,000 for taxpayers age 50+) in 2025. $7,500 ($8,600 for taxpayers age 50+) in 2026.

Contribution Limit Based on MAGI - The amount taxpayers can contribute to a Roth IRA is subject to a MAGI phaseout.

- In 2025, the MAGI phaseout on Roth IRA contributions by single taxpayers begins at $150,000 and no contribution is permitted if MAGI is $165,000 or more. The MAGI phaseout on Roth IRA contributions for married taxpayers filing jointly begins at $236,000 and no contribution is permitted if MAGI is $246,000 or more.
- In 2026, the MAGI phaseout on Roth IRA contributions by single taxpayers begins at $153,000 and no contribution is permitted if MAGI is $168,000 or more. The MAGI phaseout on Roth IRA contributions for married taxpayers filing jointly begins at $242,000 and no contribution is permitted if MAGI is $252,000 or more.

Deduction Limit - There is no deduction for a contribution to a Roth IRA.

DOLLAR LIMITS FOR QUALIFIED RETIREMENT PLANS

	2025	2026
Defined Contribution Plans - Annual additions limit for defined contribution plans [IRC Sec. 415(c)]	$70,000	$72,000
Defined Benefit Plans - Annual benefit limit for defined benefit plans [IRC Sec. 415(b)]	$280,000	$290,000
401(k) - Annual limit on deferrals [IRC Sec. 402(g)]	$23,500	$24,500
Plus: age 50+ catch-up	$7,500	$8,000
Plus: special age 60-63 catch-up	$11,250	$11,250
403(b) - Annual limit on deferrals [IRC Sec. 402(g)]	$23,500	$24,500
Plus: age 50+ catch-up	$7,500	$8,000
Plus: special age 60-63 catch-up	$11,250	$11,250
Salary Reduction SEPs (SARSEPs) - Annual limit on elective deferral [IRC Sec. 402(g)]	$23,500	$24,500
Plus: age 50+ catch-up	$7,500	$8,000
Plus: special age 60-63 catch-up	$11,250	$11,250
Annual Limit on Elective Deferrals to 457 Plans [IRC Sec. 457(b)(2)(A)]	$23,500	$24,500
Plus: age 50+ catch-up	$7,500	$8,000
Plus: special age 60-63 catch-up	$11,250	$11,250
Maximum Annual Compensation - Amount of employee compensation that may be taken into account by plan formula (QRPs, 403(b), SEPs) [IRC Sec. 401(a)(17)]	$350,000	$360,000
Nondiscrimination Rules - For “highly compensated employees” [IRC Sec. 414(q)(1)]	$160,000	$160,000
Annual Compensation Subject to SEP Discrimination Rules [IRC Sec. 408(k)(3)(C)]	$350,000	$360,000
Compensation Threshold for SEP Participation [IRC Sec. 408(k)(2)(C)]	$750	$800
Annual Limit on Elective Deferrals to SIMPLE Plans [IRC Sec. 408(p)]	$16,500	$17,000
Plus: age 50+ catch-up	$3,500	$4,000
Plus: special age 60-63 catch-up	$5,250	$5,250
Annual Limit on Elective Deferrals to SIMPLE Plans for Small and Qualifying Medium-Sized Businesses [IRC Sec. 408(p)(2)]	$17,600	$18,100
Plus: age 50+ catch-up	$3,850	$3,850
Plus: special age 60-63 catch-up	$5,250	$5,250

REQUIRED MINIMUM DISTRIBUTIONS (RMDs)

The required beginning date for RMDs is April 1 of the year after the retirement account owner turns 73.

An individual who inherits retirement account assets must distribute those assets within 10 years of the account owner's death. Whether the owner of the inherited IRA must take RMDs during those 10 years depends on if the original owner passed away after they began taking RMDs. However, the following "eligible designated beneficiaries" are excluded from this change and remain subject to the previous rules, which allow them to "stretch" payments over their life expectancy:

- Surviving spouses
- Minor children (until they reach the age of majority)
- Disabled or chronically ill individuals
- Individuals less than 10 years younger than the decedent

Qualified charitable distributions (QCDs) from an IRA can be taken starting at age 70½ and count toward the donor's RMD if one is due. The outright annual QCD (from the IRA directly to the charity) is tax free up to $111,000 (annual aggregate limit for 2026). The one-time, life-income QCD (used to fund a new charitable remainder trust or charitable gift annuity) is tax free up to $55,000 in 2026.

REQUIRED MINIMUM DISTRIBUTIONS - Uniform Lifetime Table

The Uniform Lifetime Table is used to calculate lifetime RMDs from qualified retirement plans (including 401(k) and 403(b) plans) and IRAs, unless the employee's beneficiary is a spouse who is more than 10 years younger or who is not the sole beneficiary. Married owners with a spouse who is more than 10 years younger use the Joint and Last Survivor Table.

For every calendar year for which a minimum distribution is required, find (1) the account balance on December 31 of the preceding year, (2) the account owner's age on his or her birthday during the distribution calendar year, and (3) the divisor that corresponds to that age in the Uniform Lifetime Table. The RMD for the distribution calendar year is (1) divided by (3).

IRAs funded with annuities may have additional benefits that need to be included when calculating RMD payments.

Since 2023, the age to begin taking RMDs has been 73.

Age	Factor	Age	Factor	Age	Factor	Age	Factor	Age	Factor	Age	Factor
73	26.5	81	19.4	89	12.9	97	7.8	105	4.6	113	3.1
74	25.5	82	18.5	90	12.2	98	7.3	106	4.3	114	3.0
75	24.6	83	17.7	91	11.5	99	6.8	107	4.1	115	2.9
76	23.7	84	16.8	92	10.8	100	6.4	108	3.9	116	2.8
77	22.9	85	16.0	93	10.1	101	6.0	109	3.7	117	2.7
78	22.0	86	15.2	94	9.5	102	5.6	110	3.5	118	2.5
79	21.1	87	14.4	95	8.9	103	5.2	111	3.4	119	2.3
80	20.2	88	13.7	96	8.4	104	4.9	112	3.3	120+	2.0

REQUIRED MINIMUM DISTRIBUTIONS - Single Life Expectancy Table

While the Uniform Lifetime Table determines RMDs during the owner's lifetime, the Single Life Expectancy Table determines RMDs for eligible designated beneficiaries who inherit IRAs or plan accounts. (Beneficiaries who are not eligible designated beneficiaries must withdraw the entire amount in the inherited account by the end of the 10th year following the year of inheritance and may be required to take RMDs in years one through nine.)

Eligible designated beneficiaries calculate RMDs using their birthday in the year following the account owner's death (which is the year distributions must begin), with the life expectancy number reduced by one for each subsequent year. Surviving spouses can take the first distribution in the year the account owner would have turned 73, then use their own age as of their birthday in each subsequent year.

The details of the distribution rules and calculations for inherited accounts are complex. Beneficiaries should work with a professional advisor.

Age	Factor	Age	Factor	Age	Factor	Age	Factor	Age	Factor	Age	Factor
0	84.6	21	64.1	42	43.8	63	24.5	84	8.7	105	2.1
1	83.7	22	63.1	43	42.9	64	23.7	85	8.1	106	2.1
2	82.8	23	62.1	44	41.9	65	22.9	86	7.6	107	2.1
3	81.8	24	61.1	45	41.0	66	22.0	87	7.1	108	2.0
4	80.8	25	60.2	46	40.0	67	21.2	88	6.6	109	2.0
5	79.8	26	59.2	47	39.0	68	20.4	89	6.1	110	2.0
6	78.8	27	58.2	48	38.1	69	19.6	90	5.7	111	2.0
7	77.9	28	57.3	49	37.1	70	18.8	91	5.3	112	2.0
8	76.9	29	56.3	50	36.2	71	18.0	92	4.9	113	1.9
9	75.9	30	55.3	51	35.3	72	17.2	93	4.6	114	1.9
10	74.9	31	54.4	52	34.3	73	16.4	94	4.3	115	1.8
11	73.9	32	53.4	53	33.4	74	15.6	95	4.0	116	1.8
12	72.9	33	52.5	54	32.5	75	14.8	96	3.7	117	1.6
13	71.9	34	51.5	55	31.6	76	14.1	97	3.4	118	1.4
14	70.9	35	50.5	56	30.6	77	13.3	98	3.2	119	1.1
15	69.9	36	49.6	57	29.8	78	12.6	99	3.0	120+	1.0
16	69.0	37	48.6	58	28.9	79	11.9	100	2.8		
17	68.0	38	47.7	59	28.0	80	11.2	101	2.6		
18	67.0	39	46.7	60	27.1	81	10.5	102	2.5		
19	66.0	40	45.7	61	26.2	82	9.9	103	2.3		
20	65.0	41	44.8	62	25.4	83	9.3	104	2.2		

ESTATE AND GIFT TAXES

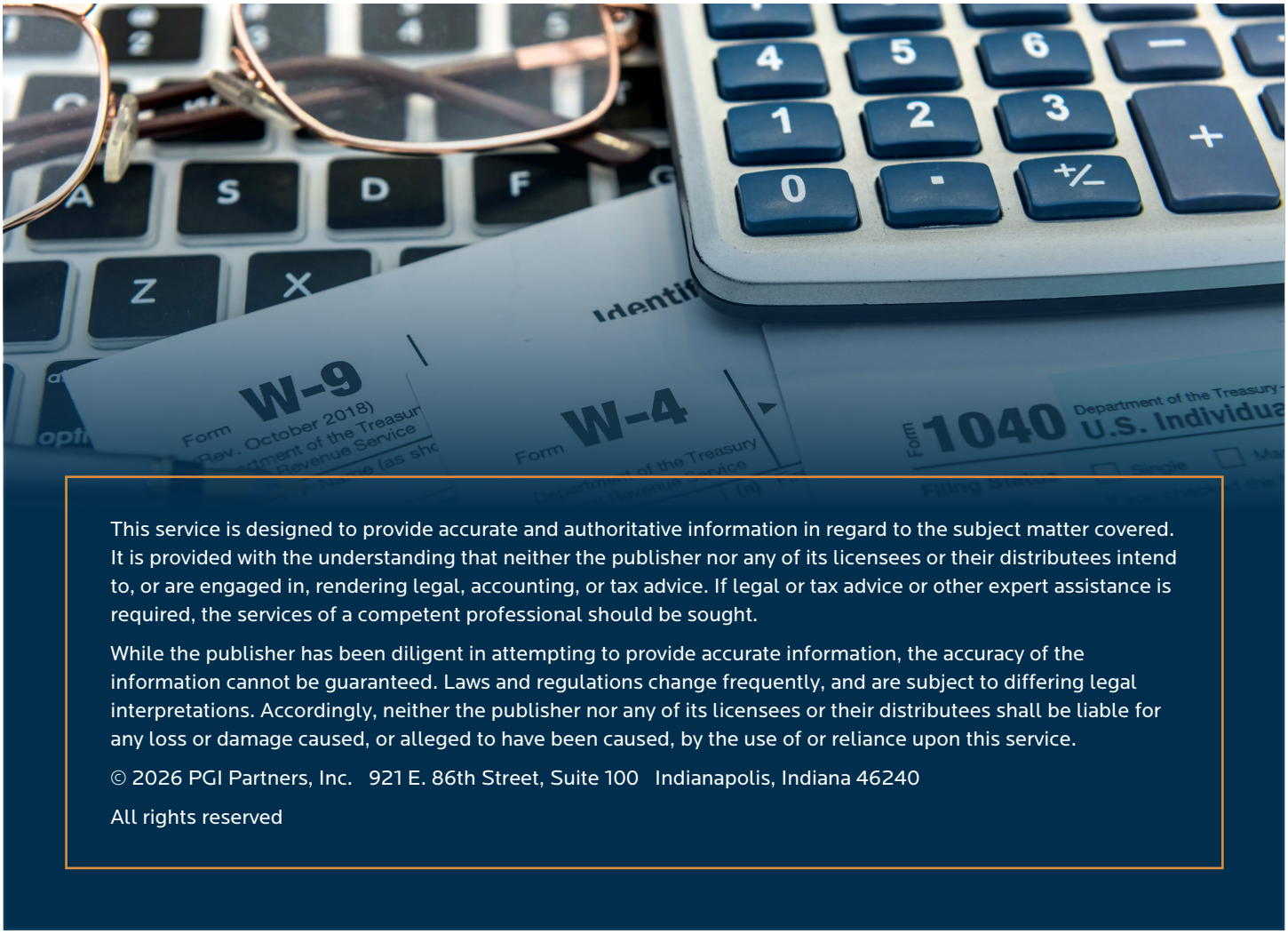
2025 and 2026 Gift and Estate Tax Rates:

Over	But not over	Flat amount	+%	Of excess over
$0	$10,000	$0	18%	$0
$10,000	$20,000	$1,800	20%	$10,000
$20,000	$40,000	$3,800	22%	$20,000
$40,000	$60,000	$8,200	24%	$40,000
$60,000	$80,000	$13,000	26%	$60,000
$80,000	$100,000	$18,200	28%	$80,000
$100,000	$150,000	$23,800	30%	$100,000
$150,000	$250,000	$38,800	32%	$150,000
$250,000	$500,000	$70,800	34%	$250,000
$500,000	$750,000	$155,800	37%	$500,000
$750,000	$1,000,000	$248,300	39%	$750,000
$1,000,000	—	$345,800	40%	$1,000,000

Estate Tax	2025	2026
Top estate tax rate	40%	40%
Estate tax basic exclusion amount	$13,990,000	$15,000,000

Portability: The estate executor has up to five years in which to elect portability, allocating the unused portion of a decedent's estate tax applicable exclusion amount to the surviving spouse.

Gift Tax	2025	2026
Top gift tax rate	40%	40%
Annual gift tax exclusion	$19,000 per donee	$19,000 per donee
Annual gift tax exclusion for a noncitizen spouse	$190,000	$194,000
Lifetime gift tax basic exclusion amount	$13,990,000	$15,000,000



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