



TAX FACTS 2020

If the uncertainty surrounding the current state of the economy has left you looking for answers in 2020, you may need some guidance for a course of action for your financial planning. The following tables present various tax facts regarding potential tax exposure you might be subject to. Contact a financial professional for help with your tax planning.

Income Tax 2020		
Married Filing Jointly:	\$0 - \$19,750	10%
\$19,751	\$80,250	\$1,975 + 12%
\$80,251	\$171,050	\$9,235 + 22%
\$171,051	\$326,600	\$29,211 + 24%
\$326,601	\$414,700	\$66,543 + 32%
\$414,701	\$622,050	\$94,735 + 35%
\$622,050+	–	\$167,307.50 + 37%
Single:	\$0 - \$9,875	10%
\$9,876	\$40,125	\$987.50 + 12%
\$40,126	\$85,525	\$4,617.50 + 22%
\$85,526	\$163,300	\$14,605.50 + 24%
\$163,301	\$207,350	\$33,271.50 + 32%
\$207,351	\$518,400	\$47,367.50 + 35%
\$518,401+	–	\$156,235 + 37%

Actual Blended Tax Range by Income (Married Filing Jointly)		
Taxable Income	Income Tax Bracket	Actual Tax Range (Blended)*
\$0 to \$19,750	10%	0%–10%
\$19,751 to \$80,250	12%	10%–11.5%
\$80,251 to \$171,050	22%	11.5%–17.1%
\$171,051 to \$326,600	24%	17.1%–20.4%
\$326,601 to \$414,700	32%	20.4%–22.8%
\$414,701 to \$622,050	35%	22.8%–26.9%
\$622,051+	37%	26.9%–37%

Source: IRS, Rev Proc 2019-44, 2019.

* Figures for Actual Tax Range (Blended) column are calculated by Jackson. They are based on taxable dollars and do not account for any deductions or credits.

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Capital Gains Tax		
Single		
Taxable Income	1 year or less	Greater than 1 year
\$0 to \$40,000	Ordinary Income	0%
\$40,001 to \$441,450	Ordinary Income	15%
\$441,451+	Ordinary Income	20%
Married		
Taxable Income	1 year or less	Greater than 1 year
\$0 to \$80,000	Ordinary Income	0%
\$80,001 to \$496,600	Ordinary Income	15%
\$496,601+	Ordinary Income	20%

Standard Deductions	
Married:	\$24,800
Single:	\$12,400

Net Investment Tax		
	Threshold	Tax Rate
Married:	\$250,000	3.8%
Single:	\$200,000	3.8%

Sources: IRS, Rev Proc 2019-44, 2019; Tax Foundation, "2020 Tax Brackets," November 14, 2019; IRS, "Questions and Answers on Net Investment Income Tax," July 22, 2019.

Estate Tax Exclusion		
2019	\$11,400,000	40% tax rate
2020	\$11,580,000	40% tax rate
2020 Gift Tax Exclusion:	\$15,000/year	\$11,580,000/lifetime
2020 Generation Skipping Tax:	–	\$11,580,000/lifetime

Estate and Trust Tax Rates		
\$0	\$2,600	10%
\$2,601	\$9,450	\$260 + 24%
\$9,451	\$12,950	\$1,904 + 35%
\$12,951+	–	\$3,129 + 37%

Social Security Tax		
Modified AGI	Up to 50% Taxable	Up to 85% Taxable
Married:	\$32,000 to \$44,000	\$44,000+
Single:	\$25,000 to \$34,000	\$34,000+
FICA Taxable Cap:	\$137,700	

Sources: IRS, "What's New - Estate and Gift Tax," December 19, 2019; IRS, Rev Proc 2019-44, 2019; Social Security Administration, "Benefits Planner: Income Taxes and Your Social Security Benefit," 2019; Social Security Administration, "Fact Sheet, Social Security, 2020 Social Security Changes," 2019.



Qualified Plans 2020

	Maximum Deferral	50+ Catch-up
401(k)-403(b)-457:	\$19,500	\$6,500
SIMPLE:	\$13,500	\$3,000
SEP (salary reduction):	\$57K/25% of compensation	–
Defined Contribution	\$57,000	\$6,500
Solo 401(k):	\$57,000	\$6,500
Defined Benefit		
Maximum Compensation:	\$230,000	None
Traditional IRA	\$6,000	\$1,000
Deduction Phase Outs		Active Spouse
Married:	\$196,000 - \$206,000	\$104,000 - \$124,000
Single:	\$65,000 - \$75,000	–
Roth	\$6,000	\$1,000
Contribution Phase Outs	Modified Adjusted Gross Income	
Married:	\$196,000 - \$206,000	–
Single:	\$124,000 - \$139,000	–
Conversion Limit:	N/A	–

Sources: IRS, "COLA Increases for Dollar Limitations on Benefits and Contributions," November 18, 2019; IRS, "SEP Plans FAQs - Contributions," May 13, 2019; IRS Notice 2019-59 "2020 Limitations Adjusted as Provided in Section 415 (d), etc.," 2019.

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