


TAX FACTS 2020

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- Creation of Wealth
 - Preservation of Wealth
 - Distribution of Wealth

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 comp.	—
Defined Contribution	\$57,000	\$6,500
Solo 401(k):	\$57,000	\$6,500
Defined Benefit		
Max. Comp.:	\$230,000	None
Traditional IRA	\$6,000	\$1,000
Deduct. Phase Outs		Active Spouse
Married:	\$196,000 - \$206,000	\$104,000 - \$124,000
Single:	\$65,000 - \$75,000	—
Roth	\$6,000	\$1,000
Contrib. Phase Outs	MAGI	
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.

If the uncertainty surrounding the current state of the economy has left you looking for answers in 2020, you may need some guidance as to the best 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.

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.

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