

## TAX BRACKETS FOR 2025<sup>1</sup>

Taxable income (i.e., income minus deductions and exemptions) between:

### Married, Joint

\$0 – \$23,850	10%
\$23,851 – \$96,950	12%
\$96,951 – \$206,700	22%
\$206,701 – \$394,600	24%
\$394,601 – \$501,050	32%
\$501,051 – \$751,600	35%
Over \$751,600	37%

### Capital gains/qualified dividends

\$0 – \$96,700	0%
\$96,701 – \$600,050	15%
Over \$600,050	20%

### Single

\$0 – \$11,925	10%
\$11,926 – \$48,475	12%
\$48,476 – \$103,350	22%
\$103,351 – \$197,300	24%
\$197,301 – \$250,525	32%
\$250,526 – \$626,350	35%
Over \$626,350	37%

### Capital gains/qualified dividends

\$0 – \$48,350	0%
\$48,351 – \$533,400	15%
Over \$533,400	20%

### Married, Separate

\$0 – \$11,925	10%
\$11,926 – \$48,475	12%
\$48,476 – \$103,350	22%
\$103,351 – \$197,300	24%
\$197,301 – \$250,525	32%
\$250,526 – \$375,800	35%
Over \$375,800	37%

### Capital gains/qualified dividends

\$0 – \$48,350	0%
\$48,351 – \$300,000	15%
Over \$300,000	20%

### Head of Household (HOH)

\$0 – \$17,000	10%
\$17,001 – \$64,850	12%
\$64,851 – \$103,350	22%
\$103,351 – \$197,300	24%
\$197,301 – \$250,500	32%
\$250,501 – \$626,350	35%
Over \$626,350	37%

### Capital gains/qualified dividends

\$0 – \$64,750	0%
\$64,751 – \$566,700	15%
Over \$566,700	20%

## Estates and Trusts

\$0 – \$3,150	10%
\$3,151 – \$11,450	24%
\$11,451 – \$15,650	35%
Over \$15,650	37%

### Capital gains/qualified dividends

\$0 – \$3,250	0%
\$3,251 – \$15,900	15%
Over \$15,900	20%

## Corporate Tax Rate

21%

## STANDARD DEDUCTION<sup>3</sup>

Married, joint	\$31,500
Single; Married, separate	\$15,750
HOH	\$23,625
Blind or Age 65+; Married, joint	add \$1,600
Blind or Age 65+; Single or HOH	add \$2,000

## Deduction for Seniors<sup>a</sup>

Age 65 and over	\$6,000
-----------------	---------

## Phaseout of Deduction for Seniors

Married, joint	\$150,000 – \$250,000
Single	\$75,000 – \$175,000

## Child/Dependent Tax Credit<sup>2,3</sup>

Child	\$2,200 per child up to \$1,700 refundable
Qualifying Dependent	\$500 per dependent nonrefundable

## State and Local Tax Deduction Limit<sup>3</sup>

Married, joint; Single	\$40,000
Married, separate	\$20,000
Deduction reduced by 30% of MAGI over \$500,000 (MFJ), but not below \$10,000	

## IRA & PENSION PLAN LIMITS<sup>4</sup>

### IRA Contribution

Under age 50	\$7,000
Age 50 and over, add \$1,000 catch-up	\$8,000

### Phaseout for Deducting IRA Contribution

Married, joint	\$126,000 – \$146,000 AGI
Single; HOH	\$79,000 – \$89,000 AGI
Married, separate	\$0 – \$10,000 AGI
Spousal IRA	\$236,000 – \$246,000 AGI

### Phaseout of Roth Contribution Eligibility<sup>b</sup>

Married, joint	\$236,000 – \$246,000 MAGI
Single; HOH	\$150,000 – \$165,000 MAGI
Married, separate	\$0 – \$10,000 MAGI

### SEP Contribution

Up to 25% of compensation, limit	\$70,000
Compensation to participate in SEP	\$750

### SIMPLE Elective Deferral<sup>c</sup>

Standard elective deferral	\$16,500
Age 50 and over, add \$3,500 catch-up	\$20,000
Age 60, 61, 62 or 63, add \$5,250 catch-up	\$21,750

## Qualified Plan Contributions

401(k), 403(b) <sup>d</sup> , 457 <sup>e</sup> and SARSEP elective deferral	
Standard elective deferral	\$23,500
Age 50 and over, add \$7,500 catch-up	\$31,000
Age 60, 61, 62 or 63, add \$11,250 catch-up	\$34,750
Annual defined contribution limit	\$70,000
Annual defined benefit limit	\$280,000
Highly compensated employee	\$160,000
Key employee in top-heavy plan	\$230,000
Annual compensation taken into account for qualified plans	\$350,000

## Retirement Tax Credit

A percentage tax credit for an IRA, 401(k), 403(b) or 457 plan contribution, in addition to deduction or exclusion, if:

Married, joint	Below \$79,000 MAGI
HOH	Below \$59,250 MAGI
Single; Married, separate	Below \$39,500 MAGI

## Maximum Qualified Longevity Annuity Contract (QLAC) Premium

\$210,000

## ALTERNATIVE MINIMUM TAX EXEMPTION AMOUNT<sup>1</sup>

Married, joint	\$137,000
Single; HOH	\$88,100
Married, separate	\$68,500
Estates and Trusts	\$30,700

## GIFT & ESTATE TAX<sup>1</sup>

Gift tax annual exclusion	\$19,000
Estate and gift tax rate	40%
Estate tax exemption	\$13,990,000
Lifetime gift exemption	\$13,990,000
GST exemption	\$13,990,000
Annual exclusion for gifts to noncitizen spouse	\$190,000

## ADDITIONAL MEDICARE TAX WHERE INCOME EXCEEDS \$200,000 (\$250,000 MARRIED, JOINT)<sup>5</sup>

Additional tax on excess of earned income <sup>f</sup>	0.9%
Additional tax on net investment income <sup>g</sup>	3.8%

## KEY

- Available to qualifying taxpayers in 2025-2028, whether itemizing or claiming the standard deduction.
- Assumes individual or spouse also participates in an employer-sponsored retirement plan.
- For a SIMPLE plan with 25 or fewer employees, the 2025 elective deferral limit for participants under age 50 is \$17,600; age 50 and over catch-up is \$3,850.
- Special increased limit may apply to certain 403(b) contributions with 15 or more years of service.
- In last three years prior to year of retirement, 457 plan participant may be able to double elective deferral if needed to catch up on prior missed contributions, but if they do, they cannot use catch-up.
- Total employee Medicare tax is 1.45% + 0.9% = 2.35%.
- Including interest, dividends, capital gains and annuity distributions.

## HEALTH CARE

Eligible Long-Term Care Deduction Limit <sup>1</sup>	
Age 40 or younger	\$480
Ages 41 to 50	\$900
Ages 51 to 60	\$1,800
Ages 61 to 70	\$4,810
Over age 70	\$6,020

## EDUCATION

Coverdell Education Savings Account <sup>6</sup>	\$2,000
Coverdell contribution eligibility phaseout	
Married, joint	\$190,000 – \$220,000
All others	\$95,000 – \$110,000
Student loan interest deduction limit <sup>1</sup>	\$2,500
Interest deduction is phased out	
Married, joint	\$170,000 – \$200,000 MAGI
All others	\$85,000 – \$100,000 MAGI
Phaseout of Lifetime Learning Credits <sup>1</sup>	
Married, joint	\$160,000 – \$180,000
All others	\$80,000 – \$90,000
Tax-free savings bonds interest phaseout <sup>1</sup>	
Married, joint	\$149,250 – \$179,250 MAGI
All others	\$99,500 – \$114,500 MAGI

## SOCIAL SECURITY<sup>7</sup>

Maximum wage base	\$176,100
Amount needed to earn one credit	\$1,810
Amount needed to earn four credits	\$7,240
Social Security & Medicare Tax Rates	
Employee	7.65%
Employer	7.65%
Self-Employed	15.30%
Maximum monthly retirement benefit at full retirement age	\$4,018
Cost of Living Adjustment	2.5%

## Income (in Retirement) Causing Social Security Benefits to be Taxable

Married, joint	
Up to 50% taxable	\$32,000 MAGI
Up to 85% taxable	\$44,000 MAGI
Single	
Up to 50% taxable	\$25,000 MAGI
Up to 85% taxable	\$34,000 MAGI
Income is most income including municipal bond interest but only half of Social Security.	

## Earnings Limit and Benefit Reduction

In years prior to full retirement age, \$1 in benefits will be withheld for every \$2 of earnings in excess of \$23,400.

In the year of full retirement age, \$1 in benefits will be withheld for every \$3 of earnings in excess of \$62,160 (applies only to months of earnings prior to full retirement age).

There is no limit on earnings beginning the month an individual attains full retirement age.

## Average Monthly Benefit (December 2023)<sup>8</sup>

Average monthly retirement benefit	
Men	\$2,106
Women	\$1,714
Average monthly survivor benefit	
Men	\$1,568
Women	\$1,784

## REQUIRED MINIMUM DISTRIBUTION (RMD) STARTING AGES<sup>9</sup>

Date of Birth	RMD Age
June 30, 1949 and earlier	70 ½
July 1, 1949 – Dec. 31, 1950	72
Jan. 1, 1951 – Dec. 31, 1959	73
Jan. 1, 1960 and after	75

\* Required Beginning Date (RBD) for IRA RMDs (including SEPs and SIMPLE IRAs): April 1 of the year following the calendar year in which you reach RMD starting age as outlined above.

## UNIFORM LIFETIME TABLE<sup>10</sup>

The Uniform Lifetime Table is used to calculate required minimum distributions\* from IRAs and qualified plans during owner's life. Do not use this table if owner has spousal beneficiary more than 10 years younger. Instead use Joint Life Expectancy Table from IRS Pub. 590.

Age	Divisor	Account	Age	Divisor	Account	Age	Divisor	Account
73	26.5	3.77%	87	14.4	6.94%	101	6.0	16.67%
74	25.5	3.92%	88	13.7	7.30%	102	5.6	17.86%
75	24.6	4.07%	89	12.9	7.75%	103	5.2	19.23%
76	23.7	4.22%	90	12.2	8.20%	104	4.9	20.41%
77	22.9	4.37%	91	11.5	8.70%	105	4.6	21.74%
78	22.0	4.55%	92	10.8	9.26%	106	4.3	23.26%
79	21.1	4.74%	93	10.1	9.90%	107	4.1	24.39%
80	20.2	4.95%	94	9.5	10.53%	108	3.9	25.64%
81	19.4	5.15%	95	8.9	11.24%	109	3.7	27.03%
82	18.5	5.41%	96	8.4	11.90%	110	3.5	28.57%
83	17.7	5.65%	97	7.8	12.82%	111	3.4	29.41%
84	16.8	5.95%	98	7.3	13.70%	112	3.3	30.30%
85	16.0	6.25%	99	6.8	14.71%	113	3.1	32.26%
86	15.2	6.58%	100	6.4	15.63%	114	3.0	33.33%

## SINGLE LIFE EXPECTANCY TABLE<sup>10</sup>

The Single Life Expectancy Table is used to calculate required minimum distributions\* from IRAs and qualified plans after owner's death. See IRS Pub. 590 for complete table of ages 0 through 111+.

Age	Divisor	Account	Age	Divisor	Account	Age	Divisor	Account
39	46.7	2.14%	55	31.6	3.16%	71	18.0	5.56%
40	45.7	2.19%	56	30.6	3.27%	72	17.2	5.81%
41	44.8	2.23%	57	29.8	3.36%	73	16.4	6.10%
42	43.8	2.28%	58	28.9	3.46%	74	15.6	6.41%
43	42.9	2.33%	59	28.0	3.57%	75	14.8	6.76%
44	41.9	2.39%	60	27.1	3.69%	76	14.1	7.09%
45	41.0	2.44%	61	26.2	3.82%	77	13.3	7.52%
46	40.0	2.50%	62	25.4	3.94%	78	12.6	7.94%
47	39.0	2.56%	63	24.5	4.08%	79	11.9	8.40%
48	38.1	2.62%	64	23.7	4.22%	80	11.2	8.93%
49	37.1	2.70%	65	22.9	4.37%	81	10.5	9.52%
50	36.2	2.76%	66	22.0	4.55%	82	9.9	10.10%
51	35.3	2.83%	67	21.2	4.72%	83	9.3	10.75%
52	34.3	2.92%	68	20.4	4.90%	84	8.7	11.49%
53	33.4	2.99%	69	19.6	5.10%	85	8.1	12.35%
54	32.5	3.08%	70	18.8	5.32%	86	7.6	13.16%

Information contained herein is effective as of January 1, 2025, subject to legislative changes. This document is provided for informational purposes only. It is not intended to provide specific legal or tax advice and cannot be used to avoid tax penalties or to promote, market or recommend any tax plan or arrangement. This firm does not provide tax or legal advice; individuals are encouraged to consult with a qualified professional before making any decisions about their personal situation. This document is not endorsed or sponsored by the U.S. government or any governmental agency. (Rev. 07/09/2025) 12/24 – 4040986

Please contact Semmax if there have been any changes in your financial situation or investment objectives, if you wish to impose any reasonable restrictions on management of your account or reasonably modify existing restrictions. Advisory services offered through Semmax Financial Advisors, Inc. a Registered Investment Advisory firm. Insurance products and services offered through Semmax, Inc. Tax services offered through Semmax Tax, Inc. Insurance product guarantees are subject to the financial strength and claims-paying ability of the issuing company, and may be subject to restrictions, limitations or early withdrawal fees. Annuities are not FDIC insured.

## SOURCES

- Rev. Proc. 2024-40.
- Tax Policy Center. <https://www.taxpolicycenter.org/briefing-book>.
- H.R.1 - One Big Beautiful Bill Act.
- IRS Notice 2024-80.
- IRS. Nov. 5, 2024. <https://www.irs.gov/individuals/net-investment-income-tax>.
- Savingforcollege.com. <https://www.savingforcollege.com/coverdell-esas>.
- Fact Sheet – 2025 Social Security Changes.
- Fast Facts and Figures about Social Security, 2024.
- The Consolidated Appropriations Act of 2023.
- Treas. Reg. 1.401(a)(9)-9. This table updated for regulations beginning Jan 1, 2022 under Federal Register FR Doc. 2020-24723.