

# 2020 Tax Reference Guide



**Securian  
Financial Group**

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## Employer plan/IRA contributions

Employer plans	2019	2020
Elective deferrals for 401(k), 403(b), 457	\$19,000	\$19,500
Catch-up contributions 401(k), 403(b), 457	\$6,000	\$6,500
Defined contribution plan limit	\$56,000	\$57,000
SEP IRA annual addition limit	\$56,000	\$57,000
SIMPLE IRA & 401(k) limit	\$13,000	\$13,500
SIMPLE IRA & 401(k) catch-up	\$3,000	\$3,000
Maximum includable compensation	\$280,000	\$285,000
Annual benefit limit	\$225,000	\$230,000
Highly compensated employee	\$125,000	\$130,000
Key employee	\$180,000	\$185,000
SEP minimum earnings limit	\$600	\$600

### Traditional and Roth IRA contributions

	2019	2020
Traditional and Roth IRA contribution limit	\$6,000	\$6,000
Catch-up contribution	\$1,000	\$1,000

### Traditional IRA deduction phase outs

	2019	2020
Single or HofH	\$64,000-74,000	\$65,000-75,000
MFJ	\$103,000-123,000	\$104,000-124,000
MFS	\$0-10,000	\$0-10,000
Spousal contributions	\$193,000-203,000	\$196,000-206,000

### Roth IRA contribution phase-outs

	2019	2020
Single or HofH	\$122,000-137,000	\$124,000-139,000
MFJ	\$193,000-203,000	\$196,000-206,000
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.

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

<sup>1</sup>Life expectancy = distribution period for age you will turn in the distribution year

### Required distributions options after death

Designated beneficiary		
Spouse	Treat as your own or Inherited IRA/Life Expectancy	
Non-spouse	10-year rule with exceptions for: disabled, chronically ill, minor child, individuals not more than 10 years younger than deceased	
	Death prior to required beginning date (RBD)	Death on or after RBD
None	5-year rule	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	2019	2020
40 or less	\$420	\$430
More than 40 but not more than 50	\$790	\$810
More than 50 but not more than 60	\$1,580	\$1,630
More than 60 but not more than 70	\$4,220	\$4,350
More than 70	\$5,270	\$5,430

### 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.

**2019 income tax rates**

Taxable income over	Not over	Tax is	Plus	Of amount over
<b>Single</b>				
\$0	\$9,700	\$0	10%	\$0
\$9,700	\$39,475	\$970	12%	\$9,700
\$39,475	\$84,200	\$4,543	22%	\$39,475
\$84,200	\$160,725	\$14,383	24%	\$84,200
\$160,725	\$204,100	\$32,749	32%	\$160,725
\$204,100	\$510,300	\$46,629	35%	\$204,100
\$510,300		\$153,799	37%	\$510,300

**Married filing joint (MFJ)**

\$0	\$19,400	\$0	10%	\$0
\$19,400	\$78,950	\$1,940	12%	\$19,400
\$78,950	\$168,400	\$9,086	22%	\$78,950
\$168,400	\$321,450	\$28,765	24%	\$168,400
\$321,450	\$408,200	\$65,497	32%	\$321,450
\$408,200	\$612,350	\$93,257	35%	\$408,200
\$612,350		\$164,710	37%	\$612,350

**Head of households (HofH)**

\$0	\$13,850	\$0	10%	\$0
\$13,850	\$52,850	\$1,385	12%	\$13,850
\$52,850	\$84,200	\$6,065	22%	\$52,850
\$84,200	\$160,700	\$12,962	24%	\$84,200
\$160,700	\$204,100	\$31,322	32%	\$160,700
\$204,100	\$510,300	\$45,210	35%	\$204,100
\$510,300		\$152,380	37%	\$510,300

**Married filing separate returns (MFS)**

\$0	\$9,700	\$0	10%	\$0
\$9,700	\$39,475	\$970	12%	\$9,700
\$39,475	\$84,200	\$4,543	22%	\$39,475
\$84,200	\$160,725	\$14,383	24%	\$84,200
\$160,725	\$204,100	\$32,749	32%	\$160,725
\$204,100	\$510,300	\$46,629	35%	\$204,100
\$510,300		\$153,799	37%	\$510,300

**Estate and trusts**

\$0	\$2,600	\$0	10%	\$0
\$2,600	\$9,300	\$260	24%	\$2,600
\$9,300	\$12,750	\$1,868	35%	\$9,300
\$12,750		\$3,075.50	37%	\$12,750

**2020 income tax rates**

Taxable income over	Not over	Tax is	Plus	Of amount over
<b>Single</b>				
\$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)**

\$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)**

\$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)**

\$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

**Estate and trusts**

\$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

**Additional income tax information**

**Personal exemption: Repealed in 2018**

**Standard deduction**

	2019		2020	
	Single	MFJ	Single	MFJ
	\$12,200	\$24,400	\$12,400	\$24,800
	\$18,350	\$18,350	\$12,400	\$18,650

Add'l \$1,300 if > 65 or blind. This amount increases to \$1,650 if also unmarried

**Child tax credit — 2020**

\$2,000
No more than \$1,400 per child is refundable.

**Capital gain/dividend rates — 2020**

	Short term <12 mos	Ordinary rate	Ordinary rate	Ordinary rate
Varies depending on maximum taxable income level under taxpayer's filing status.				
Long term >12 mos	0%	15%	20%	
Qualified dividends	0%	15%	20%	

**Gift tax and GST tax**

	2019	2020
Single	\$11,400,000	\$11,580,000
Couples	\$22,800,000	\$23,160,000
GST exclusion	\$11,400,000	\$11,580,000

**Business Entities — 2020**

**C corporations:** taxed at 21% flat rate

**Pass-through entities:** 20% deduction on qualified business income through these thresholds:\*

	\$0	\$163,300	\$213,300
<b>Service business</b>	20%	Phase out	... no deduction
<b>Non-service business</b>	20%	Phase in	... 20% with W-2 & capital limits

\*For individuals; 2x for Married Filing Jointly

**Estate, gift and corporate taxes**

**Estate and gift tax rates — 2020**

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%
Subtract applicable credit from tax calculated above.			



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F65599-22 Rev 12-2019 DOFU 12-2019  
(A04281-1011)  
1031433

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