

2025 Key Figures Related to Financial Planning

Income taxes

2025 Tax Rate	Single Filers	Married Filing Jointly	Head of Household
10%	\$0 – \$11,925	\$0 – \$23,850	\$0 – \$17,000
12%	\$11,925 – \$48,475	\$23,851 – \$96,950	\$17,001 – \$64,850
22%	\$48,476 – \$103,350	\$96,951 – \$206,700	\$64,851 – \$103,350
24%	\$103,351 – \$197,300	\$206,701 – \$394,600	\$103,351 – \$197,300
32%	\$197,301 – \$250,525	\$394,601 – \$501,050	\$197,301 – \$250,500
35%	\$250,526 – \$626,350	\$501,051 – \$751,600	\$250,501 – \$626,350
37%	\$626,351 or more	\$751,601 or more	\$626,351 or more

Standard deductions

- Married filing jointly \$30,000
- Head of household \$22,500
- Single \$15,000

Additional

Taxpayers who are age 65 or older or blind can claim an additional standard deduction: \$1,600 if married (this amount doubles if both are over 65 and blind); \$2,000 if unmarried.

Education incentives

- **American Opportunity Tax Credit** . . . \$2,500/student
- **Lifetime Learning Credit** \$2,000/student
- **Phase-outs for American Opportunity and Lifetime Learning Tax Credit**
 - Married filing jointly \$160,000 – \$180,000
 - Single \$80,000 – \$90,000
- **Phase-outs for Exclusion of Qualified U.S. Savings Bond Income**
 - Married filing jointly \$149,250 – \$179,250
 - Single \$99,500 – \$114,500

Health Savings Accounts (HSAs)

- **HDHP minimum deductible amount**
 - Single \$1,650
 - Family \$3,300
- **HDHP maximum out-of-pocket amount**
 - Single \$8,300
 - Family \$16,600
- **HSA statutory contribution maximum**
 - Single \$4,300
 - Family \$8,550
 - Catch-up contribution (age 55 or older) \$1,000

Capital gains tax

Rates on dividends and gains for assets held at least 12 months:

Married Filing Jointly	Single	% Gains
\$0 – \$96,700	\$0 – \$48,350	0%
\$96,701 – \$600,050	\$48,351 – \$533,400	15%
\$600,051 +	\$533,401 +	20%

In addition, the 3.8% net investment income tax may apply to dividends and capital gains on income over certain thresholds.

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Kiddie tax

(Unearned income under age 19, or full-time students under age 24)

- Amount exempt from tax \$1,350
- Additional amount taxed at child's rate \$1,350
- Over this amount taxed parents' rate \$2,700

IRAs

- **IRA maximum contribution limit** \$7,000
- **IRA age 50+ catch-up contribution** \$1,000
- **Phase-out range for deductible contributions to traditional IRAs**
 - Married filing jointly:
 - Both spouses \$126,000 – \$146,000 as participants in qualified plan
 - One spouse \$236,000 – \$246,000 as participants in qualified plan
 - Single/head of household \$79,000 – \$89,000 in qualified plan
- **Phase-out range for contributions to Roth IRAs**
 - Married filing jointly \$236,000 – \$246,000
 - Single/head of household \$150,000 – \$165,000

Gift and estate tax

- Annual gift tax exclusion \$19,000
- Estate and gift tax basic exclusion \$13,990,000
- Applicable credit amount \$5,541,800
- Generation-skipping exemption \$13,990,000
- Maximum estate tax rate 40%

Qualified plans

- SEP plan participant maximum 25% percentage of compensation
- SEP plan participant maximum dollar \$70,000 allocation limit
- SEP minimum compensation amount \$750
- SIMPLE IRA \$16,500 Maximum employee contribution
- SIMPLE IRA \$3,500 Catch-up – Age 50 or older
- SIMPLE IRA \$5,250 Catch-up – Age 60 – 63

- 403(b) TSA elective employee deferral \$23,500
- 403(b) TSA catch-up – Age 50 or older \$7,500
- 403(b) TSA catch-up – Age 60 – 63 \$11,250
- 403(b) TSA catch-up \$3,500 15 or more years of service with current employer
- Defined contribution maximum employer 25% percentage deduction limit (of eligible payroll)
- Defined contribution plan \$70,000 annual contribution limit
- Maximum elective deferral to retirement plans . . \$23,500 (e.g., 401(k), 403(b) & 457)
- 401(k) Age 50+ catch-up contribution \$7,500
- 401(k) Age 60 – 63 catch-up contribution . . . \$11,250
- Annual includable compensation limit \$350,000
- Highly compensated employee \$160,000 compensation limit
- Annual retirement benefit limit \$280,000 under defined benefit plan (not to exceed 100% of compensation)

Social Security

- **Benefits**
 - Full retirement age (FRA), born 1960 or later 67
 - Portion of benefit paid at age 62 70%
- **Maximum earnings before Social Security benefits are reduced**
 - Before full retirement age \$23,400 (lose \$1 for every \$2 of earnings above limit)
 - Year of full retirement age \$62,160 (lose \$1 for every \$3 of earnings above limit)
 - After full retirement age No limit
- **Tax (FICA)**

Social Security tax paid on income up to \$176,100	Percent Withheld
– Employer pays	6.2%
– Employee pays	6.2%
– Self-employed pays	12.4%

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Medicare

- **Medicare tax paid on all income**
 - Employer pays 1.45% varies per income
 - Employee pays 1.45% varies per income
Plus 0.9% on income over \$200,000 (single) or
\$250,000 (joint)
 - Self-employed pays 2.9% varies per income
- **3.8% net investment income tax paid on the lesser of net investment income or excess of MAGI over**
 - Married filing jointly \$250,000 varies per income
 - Single or \$200,000 varies per income
head of household
 - Married filing separately . . \$125,000 varies per income

Estates and trusts

2024 Tax Rate	
10%	Not over \$3,150
24%	\$3,151 – \$11,450
35%	\$11,451 – \$15,650
37%	Over \$15,650

Estates and trusts exemptions/exclusions

- Estates \$600
- Simple trusts \$300
(required to distribute all income)
- Complex trusts \$100
(may accumulate income)

For more information, [please contact your advisor.](#)

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