



Wealth Advisors,
Investment Managers

2021 Planning Guide

Tax Brackets for 2021

Married Filing Jointly	
\$0 - \$19,900	10.0%
\$19,901 - \$81,050	12.0%
\$81,051 - \$172,750	22.0%
\$172,751 - \$329,850	24.0%
\$329,851 - \$418,850	32.0%
\$418,851 - \$628,300	35.0%
Over \$628,300	37.0%
Head of Household	
\$0 - \$14,200	10.0%
\$14,201 - \$54,200	12.0%
\$54,201 - \$86,350	22.0%
\$86,351 - \$164,900	24.0%
\$164,901 - \$209,400	32.0%
\$209,401 - \$523,600	35.0%
Over \$523,600	37.0%
Single	
\$0 - \$9,950	10.0%
\$9,951 - \$40,525	12.0%
\$40,526 - \$86,375	22.0%
\$86,376 - \$164,925	24.0%
\$164,926 - \$209,425	32.0%
\$209,426 - \$523,600	35.0%
Over \$523,600	37.0%
Estates and Trusts	
\$0 - \$2,650	10.0%
\$2,651 - \$9,550	24.0%
\$9,551 - \$13,050	35.0%
Over \$13,050	37.0%

Other Tax Related Information

Long-term capital gains & qualified dividends		
Married Filing Jointly		
\$0 - \$80,800		0.0%
\$80,801 - \$501,600		15.0%
Over \$501,600		20.0%
Head of Household		
\$0 - \$54,100		0.0%
\$54,101 - \$473,750		15.0%
Over \$473,750		20.0%
Single		
\$0 - \$40,400		0.0%
\$40,401 - \$445,850		15.0%
Over \$445,850		20.0%
Standard Deduction		Over 65
Married filing jointly	\$25,100	\$27,800
Married filing jointly 1 spouse	\$25,100	\$26,450
Head of Household	\$18,800	\$20,500
Single	\$12,550	\$14,250
Additional Medicare tax where income exceeds \$200,000 Single, or \$250,000 for Married Filing Jointly		
Additional tax on excess earned income		0.9%
Additional tax on net investment income		3.8%
Gift and Estate Tax		
Gift tax annual exclusion	\$15,000	
Top estate/gift tax rate		40.0%
Estate tax exemption	\$11,700,000	
Gift tax exemption	\$11,700,000	
Generation-skipping tax exemption	\$11,700,000	

Retirement

IRA and Roth contributions	
Under age 50	\$6,000
Age 50 and over	\$7,000
Phase-out for deducting IRA contributions for qualified plan participants	
Married filing jointly	\$105,000 - \$125,000 MAGI
Head of Household or Single	\$66,000 - \$76,000 MAGI
Spousal IRA	\$198,000 - \$208,000 MAGI
Phase-out for Roth IRA contribution eligibility	
Married filing jointly	\$198,000 - \$208,000 MAGI
Head of Household or Single	\$125,000 - \$140,000 MAGI
SEP IRA contributions	
Up to 25% of compensation	\$58,000
Earnings to participate in SEP IRA	\$650
Qualified plan contributions	
401(k), 403(b), 457, SARSEP	\$19,500
Age 50 and over	\$26,000
Total of all contributions limit	
Under age 50	\$58,000
Age 50 and over	\$64,500
Simple IRA contributions	
Under age 50	\$13,500
Age 50 and over	\$16,500
Health Savings Account contribution limits	
Individual	\$3,600
Family	\$7,200
Catch-up for ages 55 and older	\$1,000

Social Security

Taxable wage base and tax rate	
Wage base	\$142,800
Tax rate	6.20%
Taxability of Social Security benefits	
Married filing jointly	
50% taxable	\$32,000 - \$44,000 MAGI
85% taxable	over \$44,000 MAGI
Head of Household or Single	
50% taxable	\$25,000 - \$34,000 MAGI
85% taxable	over \$34,000 MAGI
Retirement earnings test	
Earnings before full retirement age	\$18,960/ yr
\$1 in benefits withheld for every \$2 in earnings	
Medicare	
Taxable wage base and tax rate	
Wage base	no limit
Tax rate	1.45%
Medicare Part B premiums by income	
Based off MAGI from 2019	
Married filing jointly	
\$0 - \$176,000	monthly \$148.50
\$176,001 - \$222,000	\$207.90
\$222,001 - \$276,000	\$297.00
\$276,001 - \$330,000	\$386.10
\$330,001 - \$750,000	\$475.20
Above \$750,000	\$504.90
Head of Household or Single	
\$0 - \$88,000	monthly \$148.50
\$88,001 - \$111,000	\$207.90
\$111,001 - \$138,000	\$297.00
\$138,001 - \$165,000	\$386.10
\$165,001 - \$500,000	\$475.20
Above \$500,000	\$504.90

This planning guide is for informational purposes only. Please visit with a financial advisor, attorney and accountant to discuss your specific situation.

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Uniform Lifetime Table

Required Distributions for Retirement Accounts

Age	Distribution Factor	% of Account Value
70	27.4	3.65%
71	26.5	3.77%
72	25.6	3.91%
73	24.7	4.05%
74	23.8	4.20%
75	22.9	4.37%
76	22.0	4.55%
77	21.2	4.72%
78	20.3	4.93%
79	19.5	5.13%
80	18.7	5.35%
81	17.9	5.59%
82	17.1	5.85%
83	16.3	6.13%
84	15.5	6.45%
85	14.8	6.76%
86	14.1	7.09%
87	13.4	7.46%
88	12.7	7.87%
89	12.0	8.33%
90	11.4	8.77%
91	10.8	9.26%
92	10.2	9.80%
93	9.6	10.42%
94	9.1	10.99%
95	8.6	11.63%
96	8.1	12.35%
97	7.6	13.16%
98	7.1	14.08%
99	6.7	14.93%
100	6.3	15.87%

Current tax year distributions are based off the year-end value from the previous year. For accurate distributions, use the distribution factor. Please make sure the uniform life table is correct table to compute required distribution. If you turn 70 on 07/01/2019 or later, you do not need to take your RMD until age 72.

Social Security Claiming Strategies

	Currently Married		Unmarried Divorced Spouse		Surviving Spouse		Individual
	File & Suspend	Restricted Application	File & Suspend	Restricted Application	File & Suspend	Restricted Application	File & Suspend
Born May 1, 1950 or earlier	No longer available	Still available	Not applicable	Still available, ex-spouse must be 62 or older	Not affected by new rules		No longer available
Born January 1, 1954 or earlier	Not eligible						Not eligible
Born January 2, 1954 or later							

File & Suspend: Allows participant to file for their benefit and immediately suspend payments. This allows their spouse to claim a spousal benefit based on participant's record. Participant's benefit will continue to earn delayed retirement credits, and a larger benefit can be taken at a later date.

Restricted Application: Allows participant to restrict their application for benefits to just a spousal benefit. This allows their benefit to earn delayed retirement credits, and a larger benefit can be taken at a later date.

File & Suspend and Restricted Application strategies can only be completed at or after full retirement age except for surviving spouses.

Social Security Full Retirement Age

Year of Birth	Full Retirement Age
1943 - 1954	66
1955	66 & 2 months
1956	66 & 4 months
1957	66 & 6 months
1958	66 & 8 months
1959	66 & 10 months
1960 & later	67

Thoughts on Wealth Management

"Financial success comes from a lifetime of good financial decisions." - John Q. Bird
 "In the short run, the market is a voting machine. In the long run, it's a weighting machine." - Ben Graham
 "It's not how much money you make, but how much money you keep, how hard it works for you, and how many generations you keep it for." - Robert Koyosaki

For more information, please visit the Albion Financial Blog
www.albionfinancial.com/blog

Utah Educational Savings 529 Plan for Utah Taxpayer

Tax Filing Status	Single	Joint	Joint	Joint
Number of UESP Beneficiaries	1	1	2	3
Contributions to each Account to Maximize State Tax Credit	\$2,070	\$4,140	\$4,140	\$4,140
2021 Tax Credit	\$104	\$208	\$416	\$624

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