

2025 Key Numbers





Individual Income Tax Planning

Adoption credit

Adoption credit	2024	2025
Maximum credit	\$16,810	\$17,280
Phaseout threshold amount	\$252,150	\$259,190
Completed phaseout amount after	\$292,150	\$299,190

Alternative Minimum Tax (AMT)

Maximum AMT exemption amount	2024	2025
Married filing jointly or surviving spouse	\$133,300	\$137,000
Single or head of household	\$85,700	\$88,100
Married filing separately	\$66,650	\$68,500

AMT income exemption phaseout threshold	2024	2025
Married filing jointly or surviving spouse	\$1,218,700	\$1,252,700
Single or head of household	\$609,350	\$626,350
Married filing separately	\$609,350	\$626,350

AMT tax rate (26% rate applies to AMTI at or below amount; 28% applies to AMTI above amount)	2024	2025
All taxpayers except married filing separately	\$232,600	\$239,100
Married filing separately	\$116,300	\$119,550

Charitable deductions

Use of auto	2024	2025
Deductible standard mileage rate	\$0.14	\$0.14

Charitable fundraising "insubstantial benefit" limitation	2024	2025
Low-cost article (re: unrelated business income)	\$13.20	\$13.60



Gifts to donor in return for contribution	2024	2025
Token gift maximum cost ¹	\$13.20	\$13.60
Minimum contribution amount ¹	\$66.00	\$68.00
2% threshold amount ²	\$132	\$136

¹ Contribution is fully deductible if minimum contribution amount is met and cost of token gift does not exceed maximum

² Charitable contribution is fully deductible if the benefit received by the donor doesn't exceed the lesser of the threshold amount or 2% of the amount of the contribution

Child tax credit

Amount of credit	2024	2025
Maximum credit per qualifying child	\$2,000	\$2,000
Nonrefundable credit for dependents who are not qualifying children	\$500	\$500

Phaseout -- credit reduced by \$50 for each \$1,000 or fraction thereof of MAGI over (but not to be reduced below \$2,000):	2024	2025
Married filing jointly or surviving spouse	N/A	N/A
Head of household	N/A	N/A
Single or married filing separately	N/A	N/A

Phaseout -- any remaining credit reduced by \$50 for each \$1,000 or fraction thereof of MAGI over:	2024	2025
Married filing jointly	\$400,000	\$400,000
All other filing status	\$200,000	\$200,000

Refundability -- up to specified percentage of earned income in excess of specified amount	2024	2025
Percentage	15%	15%
Amount	\$2,500	\$2,500
Maximum refundable amount of credit	\$1,700	\$1,700



Classroom expenses of elementary and secondary school teachers

Classroom expense deduction	2024	2025
Maximum above-the-line deduction	\$300	\$300

Earned income tax credit (EITC)

Investment income limit	2024	2025
Excessive investment income limit ("disqualified income limit")	\$11,600	\$11,950

Maximum amount of EITC per number of children	2024	2025
0 children	\$632	\$649
1 child	\$4,213	\$4,328
2 children	\$6,960	\$7,152
3 or more children	\$7,830	\$8,046

Maximum amount of earned income on which EITC is based (earned income over this amount but under the threshold phaseout amount will not change the amount of the credit received)	2024	2025
0 children	\$8,260	\$8,490
1 child	\$12,390	\$12,730
2 or more children	\$17,400	\$17,880

Threshold phaseout amount for joint filers per number of children	2024	2025
0 children	\$17,250	\$17,730
1 child	\$29,640	\$30,470
2 children	\$29,640	\$30,470
3 or more children	\$29,640	\$30,470

Threshold phaseout amount for other filers per number of children	2024	2025
0 children	\$10,330	\$10,620
1 child	\$22,720	\$23,350
2 children	\$22,720	\$23,350
3 or more children	\$22,720	\$23,350



Completed phaseout amount for joint filers per number of children	2024	2025
0 children	\$25,511	\$26,214
1 child	\$56,004	\$57,554
2 children	\$62,688	\$64,430
3 or more children	\$66,819	\$68,675

Completed phaseout amount for other filers per number of children	2024	2025
0 children	\$18,591	\$19,104
1 child	\$49,084	\$50,434
2 children	\$55,768	\$57,310
3 or more children	\$59,899	\$61,555

Expatriation

Covered expatriate	2024	2025
An individual with "average annual net income tax" of more than this amount for the five taxable years ending before his or her loss of citizenship is a covered expatriate for the purposes of IRC §877A(g)(1)	\$200,000	\$206,000
IRC §877A(3) exclusion amount	\$866,000	\$890,000

Foreign earned income

Amount excluded from income	2024	2025
Exclusion amount	\$126,500	\$130,000

Itemized deductions

Phaseout threshold	2024	2025
Married filing jointly	N/A	N/A
Head of household	N/A	N/A
Unmarried	N/A	N/A
Married filing separately	N/A	N/A



Kiddie tax

Unearned income limit	2024	2025
Amount exempt from tax	\$1,300	\$1,350
Additional amount taxed at child's rate	\$1,300	\$1,350
Unearned income over this amount generally taxed at parents' tax rates	\$2,600	\$2,700

Parent's election	2024	2025
Election to include child's income on parent's return -- child's gross income requirement	\$1,300 - \$13,000	\$1,350 - \$13,500

AMT	2024	2025
AMT exemption for child subject to kiddie tax	Lesser of \$9,250 + child's earned income or \$85,700	Lesser of \$9,550 + child's earned income or \$88,100

Medicare tax (additional payroll tax and unearned income contribution tax)

Payroll tax	2024	2025
Additional Medicare payroll tax (and self-employment tax) percentage rate	0.90%	0.90%

Applies to wages/self-employment income exceeding	2024	2025
Individuals	\$200,000	\$200,000
Married filing jointly	\$250,000	\$250,000
Married filing separately	\$125,000	\$125,000

Tax on unearned income	2024	2025
Unearned income Medicare contribution tax rate	3.80%	3.80%

Applies to lesser of (a) net investment income or (b) modified adjusted gross income exceeding	2024	2025
Individuals	\$200,000	\$200,000
Married filing jointly	\$250,000	\$250,000
Married filing separately	\$125,000	\$125,000



Nanny tax

Compensation threshold	2024	2025
Domestic employee coverage threshold	\$2,700	\$2,800

Personal exemption amount

Amount	2024	2025
Personal exemption amount	N/A	N/A

Married filing jointly	2024	2025
Phaseout threshold amount	N/A	N/A
Completed phaseout amount after	N/A	N/A

Head of household	2024	2025
Phaseout threshold amount	N/A	N/A
Completed phaseout amount after	N/A	N/A

Unmarried	2024	2025
Phaseout threshold amount	N/A	N/A
Completed phaseout amount after	N/A	N/A

Married filing separately	2024	2025
Phaseout threshold amount	N/A	N/A
Completed phaseout amount after	N/A	N/A



"Saver's Credit"

Elective Deferrals and IRA or ABLE Contributions by Certain Individuals	2024	2025
Maximum credit amount	\$1,000	\$1,000

Applicable percentage of 50% applies to AGI	2024	2025
Joint Return	\$0 - \$46,000	\$0 - \$47,500
Head of Household	\$0 - \$34,500	\$0 - \$35,625
Other	\$0 - \$23,000	\$0 - \$23,750

Applicable percentage of 20% applies to AGI	2024	2025
Joint Return	\$46,001 - \$50,000	\$47,501 - \$51,000
Head of Household	\$34,501 - \$37,500	\$35,626 - \$38,250
Other	\$23,001 - \$25,000	\$23,751 - \$25,500

Applicable percentage of 10% applies to AGI	2024	2025
Joint Return	\$50,001 - \$76,500	\$51,001 - \$79,000
Head of Household	\$37,501 - \$57,375	\$38,251 - \$59,250
Other	\$25,001 - \$38,250	\$25,501 - \$39,500

Applicable percentage of 0% applies to AGI	2024	2025
Joint Return	Over \$76,500	Over \$79,000
Head of Household	Over \$57,375	Over \$59,250
Other	Over \$38,250	Over \$39,500



Standard deductions

Amounts	2024	2025
Married filing jointly or surviving spouse	\$29,200	\$30,000
Head of household	\$21,900	\$22,500
Unmarried	\$14,600	\$15,000
Married filing separately	\$14,600	\$15,000
Dependent--Standard deduction cannot exceed the greater of:	\$1,300 or \$450 + earned income	\$1,350 or \$450 + earned income
Additional deduction for aged or blind (single or head of household)	\$1,950	\$2,000
Additional deduction for aged or blind (all other filing statuses)	\$1,550	\$1,600

Standard mileage rates

Applicable rates	2024	2025
Use of auto for business purposes (cents per mile)	\$0.67	\$0.70
Use of auto for medical purposes (cents per mile)	\$0.21	\$0.21
Use of auto for moving purposes (cents per mile)	\$0.21	\$0.21



2025

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2025 Federal Income Tax Rate Schedules (Individuals, Trusts, and Estates)

Single taxpayers

If taxable income is:	Your tax is:
Not over \$11,925	10% of taxable income
Over \$11,925 to \$48,475	\$1,192.50 + 12% of the excess over \$11,925
Over \$48,475 to \$103,350	\$5,578.50 + 22% of the excess over \$48,475
Over \$103,350 to \$197,300	\$17,651 + 24% of the excess over \$103,350
Over \$197,300 to \$250,525	\$40,199 + 32% of the excess over \$197,300
Over \$250,525 to \$626,350	\$57,231 + 35% of the excess over \$250,525
Over \$626,350	\$188,769.75 + 37% of the excess over \$626,350

Married filing jointly and surviving spouses

If taxable income is:	Your tax is:
Not over \$23,850	10% of taxable income
Over \$23,850 to \$96,950	\$2,385 + 12% of the excess over \$23,850
Over \$96,950 to \$206,700	\$11,157 + 22% of the excess over \$96,950
Over \$206,700 to \$394,600	\$35,302 + 24% of the excess over \$206,700
Over \$394,600 to \$501,050	\$80,398 + 32% of the excess over \$394,600
Over \$501,050 to \$751,600	\$114,462 + 35% of the excess over \$501,050
Over \$751,600	\$202,154.50 + 37% of the excess over \$751,600

Married individuals filing separately

If taxable income is:	Your tax is:
Not over \$11,925	10% of taxable income
Over \$11,925 to \$48,475	\$1,192.50 + 12% of the excess over \$11,925
Over \$48,475 to \$103,350	\$5,578.50 + 22% of the excess over \$48,475
Over \$103,350 to \$197,300	\$17,651 + 24% of the excess over \$103,350
Over \$197,300 to \$250,525	\$40,199 + 32% of the excess over \$197,300
Over \$250,525 to \$375,800	\$57,231 + 35% of the excess over \$250,525
Over \$375,800	\$101,077.25 + 37% of the excess over \$375,800



Heads of household

If taxable income is:	Your tax is:
Not over \$17,000	10% of taxable income
Over \$17,000 to \$64,850	\$1,700 + 12% of the excess over \$17,000
Over \$64,850 to \$103,350	\$7,442 + 22% of the excess over \$64,850
Over \$103,350 to \$197,300	\$15,912 + 24% of the excess over \$103,350
Over \$197,300 to \$250,500	\$38,460 + 32% of the excess over \$197,300
Over \$250,500 to \$626,350	\$55,484 + 35% of the excess over \$250,500
Over \$626,350	\$187,031.50 + 37% of the excess over \$626,350

Trusts and estates

If taxable income is:	Your tax is:
Not over \$3,150	10% of taxable income
Over \$3,150 to \$11,450	\$315 + 24% of the excess over \$3,150
Over \$11,450 to \$15,650	\$2,307 + 35% of the excess over \$11,450
Over \$15,650	\$3,777 + 37% of the excess over \$15,650



2024

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2024 Federal Income Tax Rate Schedules (Individuals, Trusts, and Estates)

Single taxpayers

If taxable income is:	Your tax is:
Not over \$11,600	10% of taxable income
Over \$11,600 to \$47,150	\$1,160 + 12% of the excess over \$11,600
Over \$47,150 to \$100,525	\$5,426 + 22% of the excess over \$47,150
Over \$100,525 to \$191,950	\$17,168.50 + 24% of the excess over \$100,525
Over \$191,950 to \$243,725	\$39,110.50 + 32% of the excess over \$191,950
Over \$243,725 to \$609,350	\$55,678.50 + 35% of the excess over \$243,725
Over \$609,350	\$183,647.25 + 37% of the excess over \$609,350

Married filing jointly and surviving spouses

If taxable income is:	Your tax is:
Not over \$23,200	10% of taxable income
Over \$23,200 to \$94,300	\$2,320 + 12% of the excess over \$23,200
Over \$94,300 to \$201,050	\$10,852 + 22% of the excess over \$94,300
Over \$201,050 to \$383,900	\$34,337 + 24% of the excess over \$201,050
Over \$383,900 to \$487,450	\$78,221 + 32% of the excess over \$383,900
Over \$487,450 to \$731,200	\$111,357 + 35% of the excess over \$487,450
Over \$731,200	\$196,669.50 + 37% of the excess over \$731,200

Married individuals filing separately

If taxable income is:	Your tax is:
Not over \$11,600	10% of taxable income
Over \$11,600 to \$47,150	\$1,160 + 12% of the excess over \$11,600
Over \$47,150 to \$100,525	\$5,426 + 22% of the excess over \$47,150
Over \$100,525 to \$191,950	\$17,168.50 + 24% of the excess over \$100,525
Over \$191,950 to \$243,725	\$39,110.50 + 32% of the excess over \$191,950
Over \$243,725 to \$365,600	\$55,678.50 + 35% of the excess over \$243,725
Over \$365,600	\$93,334.75 + 37% of the excess over \$365,600



Heads of household

If taxable income is:	Your tax is:
Not over \$16,550	10% of taxable income
Over \$16,550 to \$63,100	\$1,655 + 12% of the excess over \$16,550
Over \$63,100 to \$100,500	\$7,241 + 22% of the excess over \$63,100
Over \$100,500 to \$191,950	\$15,469 + 24% of the excess over \$100,500
Over \$191,950 to \$243,700	\$37,417 + 32% of the excess over \$191,950
Over \$243,700 to \$609,350	\$53,977 + 35% of the excess over \$243,700
Over \$609,350	\$181,954.50 + 37% of the excess over \$609,350

Trusts and estates

If taxable income is:	Your tax is:
Not over \$3,100	10% of taxable income
Over \$3,100 to \$11,150	\$310 + 24% of the excess over \$3,100
Over \$11,150 to \$15,200	\$2,242 + 35% of the excess over \$11,150
Over \$15,200	\$3,659.50 + 37% of the excess over \$15,200



Business Planning

Adoption Assistance Programs

Adoption assistance	2024	2025
Maximum amount that can be excluded from employee's gross income	\$16,810	\$17,280
Phaseout threshold amount	\$252,150	\$259,190
Completed phaseout amount after	\$292,150	\$299,190

Earnings subject to FICA taxes (taxable wage base)

FICA tax	2024	2025
Maximum annual earnings subject to Social Security taxes	\$168,600	\$176,100
Social Security and Medicare combined tax rate	15.30% ¹	15.30% ¹
OASDI portion (Social Security)	12.40%	12.40%
Hospital Insurance portion (Medicare)	2.90% ¹	2.90% ¹

¹ An additional Medicare (HI) employee contribution rate of 0.9% (for a total employee contribution of 2.35%, and a total combined Medicare contribution rate of 3.8%) is assessed on wages exceeding \$200,000 (\$250,000 for married couples filing joint returns, \$125,000 for married individuals filing separate returns). For married individuals filing joint returns, the additional 0.9% tax applies to the couples combined wages (to the extent the combined wages exceed \$250,000).

Health insurance deduction for self-employed

Health insurance premiums	2024	2025
Deduction for health insurance premiums paid by self-employed persons	100%	100%

Qualified transportation fringe benefits

Qualified transportation fringe benefits	2024	2025
Commuter vehicles and transit pass monthly exclusion amount	\$315	\$325
Qualified parking monthly exclusion amount	\$315	\$325
Qualified bicycle commuting reimbursement fringe benefit (monthly amount)	N/A	N/A



Section 179 expensing

Section 179 expensing	2024	2025
Maximum amount that may be deducted under IRC Section 179	\$1,220,000	\$1,250,000
Deduction reduced by the amount by which the cost of §179 property placed in service during the year exceeds this amount	\$3,050,000	\$3,130,000

Small business tax credit for providing health-care coverage

Amount of credit	2024	2025
Maximum credit percentage	50%	50%

Partial credit	2024	2025
Number of full-time equivalent employees (FTEs) fewer than:	25	25
Maximum average annual wages less than:	\$64,800	\$66,600

Full credit	2024	2025
Number of full-time equivalent employees (FTEs) no more than:	10	10
Maximum average annual wages less than or equal to:	\$32,400	\$33,300

Special additional first-year depreciation allowance

Bonus depreciation	2024	2025
"Bonus" depreciation for qualified property acquired and placed in service during specified time periods	60%	40%

Standard mileage rate (per mile)

Business use of auto	2024	2025
Use of auto for business purposes	\$0.67	0.70



Education Planning

American Opportunity and Lifetime Learning Credits

Education credits	2024	2025
Maximum American Opportunity credit	\$2,500	\$2,500
Maximum Lifetime Learning credit	\$2,000	\$2,000

MAGI phaseout range for American Opportunity credit	2024	2025
Single--phaseout threshold amount	\$80,000	\$80,000
Single--completed phaseout amount after	\$90,000	\$90,000
Married filing jointly--phaseout threshold amount	\$160,000	\$160,000
Married filing jointly--completed phaseout amount after	\$180,000	\$180,000

MAGI phaseout range for Lifetime Learning credit	2024	2025
Single--phaseout threshold amount	\$80,000	\$80,000
Single--completed phaseout amount after	\$90,000	\$90,000
Married filing jointly--phaseout threshold amount	\$160,000	\$160,000
Married filing jointly--completed phaseout amount after	\$180,000	\$180,000

Coverdell education savings accounts

Coverdell ESAs	2024	2025
Annual contribution limit	\$2,000	\$2,000

MAGI phaseout range for Coverdell education savings accounts	2024	2025
Single--phaseout threshold amount	\$95,000	\$95,000
Single--completed phaseout amount after	\$110,000	\$110,000
Married filing jointly--phaseout threshold amount	\$190,000	\$190,000
Married filing jointly--completed phaseout threshold amount	\$220,000	\$220,000



Deduction for qualified higher education expenses

Higher education expenses	2024	2025
Maximum deduction	N/A	N/A

MAGI maximum for full \$4,000 deduction	2024	2025
Single	N/A	N/A
Married filing jointly	N/A	N/A

MAGI range for \$2,000 deduction	2024	2025
Single--MAGI greater than this amount:	N/A	N/A
Single--MAGI does not exceed this amount:	N/A	N/A
Married filing jointly--MAGI greater than this amount:	N/A	N/A
Married filing jointly--MAGI does not exceed this amount:	N/A	N/A

Deduction for student loan interest

Education loan interest deduction	2024	2025
Maximum deduction for interest paid on qualified education loans	\$2,500	\$2,500

MAGI phaseout range	2024	2025
Single--phaseout threshold amount	80,000	\$85,000
Single--completed phaseout amount after	\$95,000	\$100,000
Married filing jointly--phaseout threshold amount	\$165,000	\$170,000
Married filing jointly--completed phaseout amount after	\$195,000	\$200,000



Gift tax exclusion

Gift tax	2024	2025
Annual gift tax exclusion--single individual	\$18,000	\$19,000
Annual gift tax exclusion--joint gift	\$36,000	\$38,000
Lump-sum gift to 529 plan--single individual	\$90,000	\$95,000
Lump-sum gift to 529 plan--joint gift	\$180,000	\$190,000

Kiddie tax

Kiddie tax	2024	2025
Children's unearned income over this amount generally taxed at parents' tax rates	\$2,600	\$2,700

U.S. savings bonds interest exclusion for college expenses

Joint returns	2024	2025
Phaseout threshold for joint returns	\$145,200	\$149,250
Completed phaseout amount after	\$175,200	\$179,250

Other returns	2024	2025
Phaseout threshold for other returns	\$96,800	\$99,500
Completed phaseout amount after	\$111,800	\$114,500



Protection Planning

Eligible long-term care premium deduction limits:

LTC premium deduction limits	2024	2025
Age 40 or under	\$470	\$480
Age 41-50	\$880	\$900
Age 51-60	\$1,760	\$1,800
Age 61-70	\$4,710	\$4,810
Over age 70	\$5,880	\$6,020

Per diem limit:

LTC periodic payments	2024	2025
Periodic payments for qualified long-term care insurance/certain life insurance	\$410	\$420

Archer Medical Savings Accounts

High deductible health plan--self-only coverage	2024	2025
Annual deductible--minimum	\$2,800	\$2,850
Annual deductible--maximum	\$4,150	\$4,300
Annual out-of-pocket expenses required to be paid (other than for premiums) can't exceed	\$5,550	\$5,700

High deductible health plan--family coverage	2024	2025
Annual deductible--minimum	\$5,550	\$5,700
Annual deductible--maximum	\$8,350	\$8,550
Annual out-of-pocket expenses required to be paid (other than for premiums) can't exceed	\$10,200	\$10,500



Flexible spending account (FSA) for health care

Health care FSAs	2024	2025
Maximum salary reduction contribution	\$3,200	\$3,300

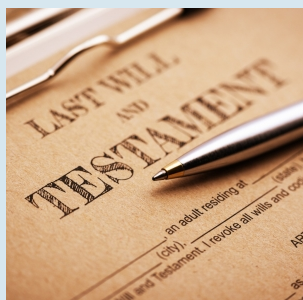
Health Savings Accounts (HSAs)

Annual contribution limit	2024	2025
Self-only coverage	\$4,150	\$4,300
Family coverage	\$8,300	\$8,550

High deductible health plan--self-only coverage	2024	2025
Annual deductible--minimum	\$1,600	\$1,650
Annual out-of-pocket expenses required to be paid (other than for premiums) can't exceed	\$8,050	\$8,300

High deductible health plan--family coverage	2024	2025
Annual deductible--minimum	\$3,200	\$3,300
Annual out-of-pocket expenses required to be paid (other than for premiums) can't exceed	\$16,100	\$16,600

Catch-up contributions	2024	2025
Annual catch-up contribution limit for individuals age 55 or older	\$1,000	\$1,000



Estate Planning

Key indexed figures	2024	2025
Annual gift exclusion:	\$18,000	\$19,000
Gift and estate tax applicable exclusion amount:	\$13,610,000 + DSUEA ¹	\$13,990,000 + DSUEA ¹
Noncitizen spouse annual gift exclusion:	\$185,000	\$190,000
Generation-skipping transfer (GST) tax exemption:	\$13,610,000 ²	\$13,990,000 ²
Special use valuation limit (qualified real property in decedent's gross estate):	\$1,390,000	\$1,420,000

¹ Basic exclusion amount plus deceased spousal unused exclusion amount (exclusion is portable for 2011 and later years)

² The GST tax exemption is not portable

2024 and 2025 gift and estate tax rate schedule

Taxable Estate	Tentative Tax Equals	Plus	Of Amount Over
0 - \$10,000	\$0	18%	\$0
\$10,000 - \$20,000	\$1,800	20%	\$10,000
\$20,000 - \$40,000	\$3,800	22%	\$20,000
\$40,000 - \$60,000	\$8,200	24%	\$40,000
\$60,000 - \$80,000	\$13,000	26%	\$60,000
\$80,000 - \$100,000	\$18,200	28%	\$80,000
\$100,000 - \$150,000	\$23,800	30%	\$100,000
\$150,000 - \$250,000	\$38,800	32%	\$150,000
\$250,000 - \$500,000	\$70,800	34%	\$250,000
\$500,000 - \$750,000	\$155,800	37%	\$500,000
\$750,000 - \$1,000,000	\$248,300	39%	\$750,000
\$1,000,000 +	\$345,800	40%	\$1,000,000
Credit shelter amount \$13,610,000 in 2024 and \$13,990,000 in 2025	Unified credit amount \$5,389,800 in 2024 and \$5,541,800 in 2025		



Government Benefits

Social Security

Social Security Cost-of-living adjustment (COLA)	2024	2025
For Social Security and Supplemental Security Income (SSI) beneficiaries	3.20%	2.50%

Tax rate--employee	2024	2025
FICA tax -- Employee	7.65%	7.65%
Social Security (OASDI) portion of tax	6.20%	6.20%
Medicare (HI) portion of tax	1.45% ¹	1.45% ¹

Tax rate--self-employed	2024	2025
Self-Employed	15.30%	15.30%
Social Security (OASDI) portion of tax	12.40%	12.40%
Medicare (HI) portion of tax	2.90% ¹	2.90% ¹

¹ An additional 0.9% Medicare/hospital insurance tax (for a total employee contribution of 2.35%) is assessed on wages exceeding \$200,000 (\$250,000 for married couples filing joint returns, \$125,000 for married individuals filing separate returns). An additional 0.9% Medicare/hospital insurance tax (for a total Medicare portion of 3.8%) is assessed on self-employment income exceeding \$200,000 (\$250,000 for married couples filing joint returns, \$125,000 for married individuals filing separate returns).

Maximum taxable earnings	2024	2025
Social Security (OASDI only)	\$168,600	\$176,100
Medicare (HI only)	No limit	No Limit

Quarter of coverage	2024	2025
Earnings required	\$1,730	\$1,810

Retirement earnings test--exempt amounts--Under full retirement age--Benefits reduced by \$1 for each \$2 earned above:	2024	2025
Yearly figure	\$22,320	\$23,400
Monthly figure	\$1,860	\$1,950



Retirement earnings test--exempt amounts--Year individual reaches full retirement age--Benefits reduced by \$1 for each \$3 earned above (applies only to earnings for months prior to attaining full retirement age):	2024	2025
Yearly figure	\$59,520	\$62,160
Monthly figure	\$4,960	\$5,180

Retirement earnings test--exempt amounts--Beginning the month individual attains full retirement age	2024	2025
	No limit on earnings	No limit on earnings

Social Security disability thresholds	2024	2025
Substantial gainful activity (SGA) for the sighted (monthly figure)	\$1,550	\$1,620
Substantial gainful activity for the blind (monthly figure)	\$2,590	\$2,700
Trial work period (TWP) (monthly figure)	\$1,110	\$1,160

SSI federal payment standard	2024	2025
Individual (monthly figure)	\$943	\$967
Couple (monthly figure)	\$1,415	\$1,450

SSI resource limits	2024	2025
Individual	\$2,000	\$2,000
Couple	\$3,000	\$3,000

SSI student exclusion limits	2024	2025
Monthly limit	\$2,290	\$2,350
Annual limit	\$9,230	\$9,460

Maximum Social Security benefit	2024	2025
Worker retiring at full retirement age (monthly figure)	\$3,822	\$4,018



Formula for Monthly Primary Insurance Amount (PIA)	2024	2025
(90% of first X of AIME + 32% of the AIME over X and through Y + 15% of AIME over Y)	X=\$1,174 Y=\$7,078	X=\$1,226 Y=\$7,391

Medicare

Medicare monthly premium amounts--Part A (hospital insurance) premium	2024	2025
Individuals with 40 or more quarters of Medicare-covered employment	\$0	\$0
Individuals with less than 40 quarters of Medicare-covered employment who are not otherwise eligible for premium-free hospital insurance	Up to \$505	Up to \$518

Medicare monthly premium amounts--Part B (medical insurance) monthly premium--for beneficiaries who file an individual income tax return with income that is:			
2024	2025	2024	2025
Less than or equal to \$103,000	Less than or equal to \$106,000	\$174.70 ²	\$185.00 ²
\$103,001 - \$129,000	\$106,001 - \$133,000	\$244.60	\$259.00
\$129,001 - \$161,000	\$133,001 - \$167,000	\$349.40	\$370.00
\$161,001 - \$193,000	\$167,001 - \$200,000	\$454.20	\$480.90
\$193,001 - \$499,999	\$200,001 - \$499,999	\$559.00	\$591.90
\$500,000 and above	\$500,000 and above	\$594.00	\$628.90

Medicare monthly premium amounts--Part B (medical insurance) monthly premium--for beneficiaries who file a joint income tax return with income that is:			
2024	2025	2024	2025
Less than or equal to \$206,000	Less than or equal to \$212,000	\$174.70 ²	\$185.00 ²
\$206,001 - \$258,000	\$212,001 - \$266,000	\$244.60	\$259.00
\$258,001 - \$322,000	\$266,001 - \$334,000	\$349.40	\$370.00
\$322,001 - \$386,000	\$334,001 - \$400,000	\$454.20	\$480.90
\$386,001 - \$749,999	\$400,001 - \$749,999	\$559.00	\$591.90
\$750,000 and above	\$750,000 and above	\$594.00	\$628.90



Medicare monthly premium amounts--Part B (medical insurance) monthly premium--for beneficiaries who are married, but file a separate tax return from their spouse and lived with spouse at some time during the taxable year with income that is:

2024	2025	2024	2025
Less than or equal to \$103,000	Less than or equal to \$106,000	\$174.70 ²	\$185.00 ²
\$103,001 - \$396,999	\$106,001 - \$393,999	\$559.00	\$591.90
\$397,000 and above	\$394,000 and above	\$594.00	\$628.90

² This is the standard Part B premium amount. However, some people who get Social Security benefits will pay more or less than this amount.

Original Medicare plan deductible and coinsurance amounts--Part A (hospital insurance)	2024	2025
Deductible per benefit period	\$1,632	\$1,676
Coinsurance per day for 61st to 90th day of each benefit period	\$408	\$419
Coinsurance per day for 91st to 150th day for each lifetime reserve day (total of 60 lifetime reserve days--nonrenewable)	\$816	\$838

Original Medicare plan deductible and coinsurance amounts	2024	2025
Skilled nursing facility coinsurance per day for 21st to 100th day of each benefit period	\$204	\$209.50

Original Medicare plan deductible and coinsurance amounts--Part B (medical insurance) annual deductible	2024	2025
Individual pays 20 percent of the Medicare-approved amount for services after deductible is met	\$240	\$257



Medicaid

Income threshold	2024	2025
Monthly income threshold for income-cap states ("300 percent cap limit")	\$2,829	\$2,901

Monthly maintenance needs allowance for at-home spouse	2024	2025
Minimum ³	\$2,465.00	\$2,555.00
Maximum	\$3,853.50	\$3,948.00

Community spousal resource allowance	2024	2025
Minimum	\$30,828	\$31,584
Maximum	\$154,140	\$157,920

³ Amounts listed actually effective as of July of prior year; different amounts apply to Alaska and Hawaii.

Retirement Planning

Employee/individual contribution limits

Elective deferral limits	2024	2025
401(k) plans, 403(b) plans, 457(b) plans, and SAR-SEPs ¹ [Includes Roth 401(k) and Roth 403(b) contributions]	Lesser of \$23,000 or 100% of participant's compensation	Lesser of \$23,500 or 100% of participant's compensation
SIMPLE 401(k) plans and SIMPLE IRA plans ¹	Lesser of \$16,000 or 100% of participant's compensation	Lesser of \$16,500 or 100% of participant's compensation
SIMPLE 401(k) plans and SIMPLE IRA plans with 25 or fewer employees (or those that elect these higher limits) ¹	Lesser of \$17,600 or 100% of participant's compensation	Lesser of \$17,600 or 100% of participant's compensation
Starter 401(k) plans and safe-harbor 403(b) plans	Between 3% and 15% of annual compensation up to a maximum of \$6,000 (\$7,000 if age 50 or older)	Between 3% and 15% of annual compensation up to a maximum of \$6,000 (\$7,000 if age 50 or older)

¹ Must aggregate employee contributions to all 401(k), 403(b), SAR-SEP, and SIMPLE plans of all employers. 457(b) plan contributions are not aggregated. For SAR-SEPs, the percentage limit is 25% of compensation reduced by elective deferrals (effectively, a 20% maximum contribution).

IRA contribution limits	2024	2025
Traditional IRAs	Lesser of \$7,000 or 100% of earned income	Lesser of \$7,000 or 100% of earned income
Roth IRAs	Lesser of \$7,000 or 100% of earned income	Lesser of \$7,000 or 100% of earned income





Additional "catch-up" limits (individuals age 50 or older)	2024	2025
401(k) plans, 403(b) plans, 457(b) plans, and SAR-SEPs ²	\$7,500	\$7,500
*Catch-up limit if age 60 to 63	N/A	\$11,250
SIMPLE 401(k) plans and SIMPLE IRA plans	\$3,500 (\$3,850 for plans with 25 or fewer employees, or that elect this higher limit)	\$3,500 (\$3,850 for plans with 25 or fewer employees, or that elect this higher limit)
*Catch-up limit if age 60 to 63	N/A	\$5,250
IRAs (traditional and Roth)	\$1,000	\$1,000

² Special catch-up limits may also apply to 403(b) and 457(b) plan participants.

Employer contribution/benefit³ limits

Defined benefit plan limits	2024	2025
Annual contribution limit per participant	No predetermined limit. Contributions based on amount needed to fund promised benefits	No predetermined limit. Contributions based on amount needed to fund promised benefits.
Annual benefit limit per participant	Lesser of \$275,000 or 100% of average compensation for highest 3 consecutive years	Lesser of \$280,000 or 100% of average compensation for highest 3 consecutive years

Defined contribution plan limits [qualified plans, 403(b) plans, SEP, and SIMPLE plans]	2024	2025
Annual addition limit per participant (<i>employer contributions; employee pre-tax, after-tax, and Roth contributions; and forfeitures</i>) (<i>does not apply to SIMPLE IRA plans</i>)	Lesser of \$69,000 or 100% (25% for SEP) of participant's compensation	Lesser of \$70,000 or 100% (25% for SEP) of participant's compensation
Maximum tax-deductible employer contribution [<i>not applicable to 403(b) plans</i>]	25% of total compensation of employees covered under the plan (20% if self employed) plus any employee pre-tax and Roth contributions; 100% for SIMPLE plans	25% of total compensation of employees covered under the plan (20% if self employed) plus any employee pre-tax and Roth contributions; 100% for SIMPLE plans
Pension-linked emergency savings accounts (maximum amount attributable to employee deferrals)	\$2,500	\$2,500

³ For self-employed individuals, compensation generally means earned income. This means that, for qualified plans, deductible contributions for a self-employed individual are limited to 20% of net earnings from self-employment (net profits minus self-employment tax deduction), and special rules apply in calculating the annual additions limit.



Compensation limits/thresholds

Retirement plan compensation limits	2024	2025
Maximum compensation per participant that can be used to calculate tax-deductible employer contribution (qualified plans and SEPs)	\$345,000	\$350,000
Compensation threshold used to determine a highly compensated employee	\$155,000 (when 2024 is the look-back year)	\$160,000 (when 2025 is the look-back year)
Compensation threshold used to determine a key employee in a top-heavy plan	\$1 for more-than-5% owners, \$220,000 for officers, \$150,000 for more-than-1% owners	\$1 for more-than-5% owners, \$230,000 for officers, \$150,000 for more-than-1% owners
Compensation threshold used to determine a qualifying employee under a SIMPLE plan	\$5,000	\$5,000
Compensation threshold used to determine a qualifying employee under a SEP plan	\$750	\$750

Traditional deductible IRA income limits — Income phase-out range for determining deductibility of traditional IRA contributions for taxpayers covered by an employer-sponsored plan and filing as:	2024	2025
Single	\$77,000 - \$87,000	\$79,000 - \$89,000
Married filing jointly	\$123,000 - \$143,000	\$126,000 - \$146,000
Married filing separately	\$0 - \$10,000	\$0 - \$10,000

Traditional deductible IRA income limits — Income phase-out range for determining deductibility of traditional IRA contributions for taxpayers not covered by an employer-sponsored retirement plan but filing a:	2024	2025
Joint return with a spouse who is covered by an employer-sponsored retirement plan	\$230,000 - \$240,000	\$236,000 - \$246,000



Roth IRA compensation limits — Income phase-out range for determining ability to fund Roth IRA for taxpayers filing as:	2024	2025
Single	\$146,000 - \$161,000	\$150,000 - \$165,000
Married filing jointly	\$230,000 - \$240,000	\$236,000 - \$246,000
Married filing separately	\$0 - \$10,000	\$0 - \$10,000

Qualified charitable distribution

	2024	2025
Annual amount not includible in gross income	\$105,000	\$108,000
One-time exclusion for transfer to split-interest entity	\$53,000	\$54,000



Investment Planning

Maximum tax on long-term capital gains and qualified dividends

0% rate applies (taxable income thresholds)	2024	2025
Single	Up to \$47,025	Up to \$48,350
Married filing jointly	Up to \$94,050	Up to \$96,700
Married filing separately	Up to \$47,025	Up to \$48,350
Head of household	Up to \$63,000	Up to \$64,750

15% rate applies (taxable income thresholds)	2024	2025
Single	\$47,025 to \$518,900	\$48,350 to \$533,400
Married filing jointly	\$94,050 to \$583,750	\$96,700 to \$600,050
Married filing separately	\$47,025 to \$291,850	\$48,350 to \$300,000
Head of household	\$63,000 to \$551,350	\$64,750 to \$566,700

20% rate applies (taxable income thresholds)	2024	2025
Single	Over \$518,900	Over \$533,400
Married filing jointly	Over \$583,750	Over \$600,050
Married filing separately	Over \$291,850	Over \$300,000
Head of household	Over \$551,350	Over \$566,700

Unearned income Medicare contribution tax ("net investment income tax")

Amount of tax	2024	2025
Tax percentage	3.80%	3.80%

Applies to lesser of (a) net investment income or (b) modified adjusted gross income exceeding:	2024	2025
Individuals	\$200,000	\$200,000
Married filing jointly	\$250,000	\$250,000
Married filing separately	\$125,000	\$125,000

IMPORTANT DISCLOSURES

Investment Advisory services are offered through Arbor Wealth Management, PLLC, a State Registered Investment Advisor in the State of Arizona, California, Utah, and Washington.

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