

## TRADITIONAL AND ROTH IRAS

### Contribution Limits

	2022
Regular	\$6,000
Catch-Up**	\$1,000

\*\*Only taxpayers age 50 and over are eligible to make catch-up contributions.

### Roth Contribution Phaseout

MAGI phaseout range for contributions to Roth IRAs in 2022		
• Married filing jointly: \$204,000 – \$214,000	• Married filing separately: \$0 – \$10,000	• Single/HOH: \$129,000 – \$144,000

No annual income limit for determining ability to convert traditional IRA to Roth IRA.  
10% Saver's Credit AGI Limits: \$68,000 (MFJ); \$34,000 (S, MFS); \$51,000 (HOH).

### Traditional IRA Deductibility Rules<sup>3</sup>

Filing Status	Covered by Employer's Retirement Plan?	Modified AGI 2022	2022 Deductibility
Single	No	Any amount	Full deduction
		\$68,000 or less	Full deduction
	Yes	\$68,001 – \$77,999	Partial deduction
		\$78,000 or more	No deduction
Married Filing Jointly	Neither Spouse Covered	Any amount	Full deduction
		\$109,000 or less	Full deduction
	Both Spouses Covered	\$109,001 – \$128,999	Partial deduction
		\$129,000 or more	No deduction
	One Spouse Covered for Covered Spouse	\$109,000 or less	Full deduction
		\$109,001 – \$128,999	Partial deduction
		\$129,000 or more	No deduction
One Spouse Covered for Non-Covered Spouse	\$204,000 or less	Full deduction	
	\$204,001 – \$213,999	Partial deduction	
	\$214,000 or more	No deduction	

## QUALIFIED PLANS

	2022
Maximum elective deferral to retirement plans (e.g., 401(k), 403(b), and 457 plans, and SARSEPs)	\$20,500
Maximum elective deferral to SIMPLE 401(k) plans	\$14,000
Limit on annual additions to SEP plans	\$61,000
Annual compensation threshold requiring SEP contribution	\$650
Limit on annual additions to defined contribution plans	\$61,000
Maximum annual compensation taken into account for contributions	\$305,000
Annual benefit limit under defined benefit plans	\$245,000
Threshold amount for definition of highly compensated employee	\$135,000
Threshold amount for definition of key employee/officer in top-heavy plans	\$200,000

### Catch-Up Contribution Limits for Other Qualified Plan Types

	2022
401(k), 403(b), SARSEP, and 457 Plans	\$6,500
SIMPLE Plans	\$3,000

## REQUIRED MINIMUM DISTRIBUTIONS<sup>2</sup>

### Uniform Lifetime Table

Current Age	Distribution Period	Current Age	Distribution Period
72	27.4	97	7.8
73	26.5	98	7.3
74	25.5	99	6.8
75	24.6	100	6.4
76	23.7	101	6.0
77	22.9	102	5.6
78	22.0	103	5.2
79	21.1	104	4.9
80	20.2	105	4.6
81	19.4	106	4.3
82	18.5	107	4.1
83	17.7	108	3.9
84	16.8	109	3.7
85	16.0	110	3.5
86	15.2	111	3.4
87	14.4	112	3.3
88	13.7	113	3.1
89	12.9	114	3.0
90	12.2	115	2.9
91	11.5	116	2.8
92	10.8	117	2.7
93	10.1	118	2.5
94	9.5	119	2.3
95	8.9	120+	2.0
96	8.4		

As of January 1, 2022, the new life expectancy tables updated to reflect current mortality experience are in effect.

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# EASY REFERENCE TAX GUIDE 2022

## 2022 ESTATE AND GIFT TAX RATES

The top tax rate applicable to estates and living gifts will be subject to a maximum tax rate of 40%.

Estate Tax	Exclusion Amount	Federal Credit	Gift Tax Exclusion
2022	\$12,060,000 <sup>1</sup>	\$4,769,800 <sup>1</sup>	\$12,060,000 <sup>1</sup>

### States with Estate or Inheritance Taxes

CT, DC, HI, IL, IA, KY, ME, MD, MA, MN, NE, NJ, NY, OR, PA, RI, VT, WA.

### Other Estate and Gift Planning Items

	2022
Annual gift tax exclusion	\$16,000
Annual gift tax exclusion for non-U.S. citizen spouses	\$164,000
Generation-skipping tax (GST) exemption	\$12,060,000 <sup>1</sup>
IRC §6166 2% limit for deferred estate tax payments	\$1,640,000
Special use valuation for qualified real property	\$1,230,000

### Investment and Insurance Products:

Not Insured by FDIC, NCUSIF, or Any Federal Government Agency. May Lose Value. Not a Deposit or Guaranteed by Any Bank, Credit Union, Bank Affiliate, or Credit Union Affiliate.



PERSONAL TAX ITEMS		
Standard Deductions	Annual	Add'l Age 65 or Older, or Blind
Married, Filing Jointly	\$25,900	\$1,400
Head of Household	\$19,400	\$1,750
Single / Married Filing Separately	\$12,950	\$1,750 (S) / \$1,400 (MFS)
Dependents—\$1,150 or \$400 plus earned income, if greater. Tax return is generally not required if income is less than the standard deduction.		

Qual. Dividends and Long-Term Capital Gains >= 12 Month Holding Period		
Tax	Single	Married Filing Jointly
0%	\$0 – \$41,675	\$0 – \$83,350
15%	\$41,676 – \$459,750	\$83,351 – \$517,200
20%	above \$459,750	above \$517,200
Short-term capital gains at ordinary rates, less than 12-month holding period.		

ACA Surtax 3.8% on Net Investment Income: Single \$200,000, MFJ \$250,000

Alternative Minimum Tax (Flat Rate 26%)	Exemption	28% Above	Phaseout Begins
Single	\$75,900	\$206,100	\$539,900
Married, Filing Jointly	\$118,100	\$206,100	\$1,079,800
Married, Filing Separately	\$59,050	\$103,050	\$539,900
Estates and Trusts	\$26,500	\$206,100	\$88,300

Kiddie Tax <sup>1</sup> (more than \$1,150 and less than \$11,500) <sup>4</sup>	
Earned Income	Taxed according to unmarried taxpayers (brackets and rates)
Unearned Income	Taxed according to parent's personal brackets and rates
Child's tax is unaffected by tax situation of child's parents.	

Child Credit <sup>1</sup>	Credit	Refundable
Child, under age 16	\$2,000	\$1,500
Other dependents	\$500	\$0
MAGI Threshold: \$400,000 (MFJ), \$200,000 (S). Phaseout begins after exceeding threshold.		

Earned Income Credit				
Qualifying Children	None	One	Two	Three or more
Earned Income	\$7,320	\$10,980	\$15,410	\$15,410
Maximum Credit	\$560	\$3,733	\$6,164	\$6,935
Begin Phaseout (Single)	\$9,160	\$20,130	\$20,130	\$20,130
Begin Phaseout (MFJ)	\$15,290	\$26,260	\$26,260	\$26,260

Medicare Surtax—Modified AGI in 2020 was		Your Monthly	
Single	Married	Part B Premium is	Part D IRMAA*
\$91,000 or less	\$182,000 or less	\$170.10	\$0
\$91,001 – \$114,000	\$182,001 – \$228,000	\$238.10	\$12.40
\$114,001 – \$142,000	\$228,001 – \$284,000	\$340.20	\$32.10
\$142,001 – \$170,000	\$284,001 – \$340,000	\$442.30	\$51.70
\$170,001 – \$500,000	\$340,001 – \$750,000	\$544.30	\$71.30
Over \$500,000	Over \$750,000	\$578.30	\$77.90

\*Part D premium determined by vendor. IRMAA surcharge added to vendor premium.

#### Maximum Qualified LTC Premium Eligible for Deduction

Age	40 or less	41 – 50	51 – 60	61 – 70	Over 70
2022	\$450	\$850	\$1,690	\$4,510	\$5,640

Qualified LTC contract per diem limit: \$390.

#### Personal Tax Items<sup>1</sup>

- Personal exemptions and limitation on itemized deductions repealed.
- Medical expenses deductible above 7.5% AGI.
- State, local, real estate taxes limited to \$10,000.
- Mortgage interest limited to \$750,000, home equity loans excluded.
- Casualty losses only allowed for federal disaster areas.
- Theft losses, moving and miscellaneous expenses subject to 2% floor repealed.
- Re-characterization of Roth conversion repealed.

## INCOME TAX

### 2022

#### If Taxable Income Is:

Over	But Not Over	The Tax Is	Of the Amount Over
<b>Married, Filing Jointly and Surviving Spouses</b>			
\$0	\$20,550	+ 10%	\$0
\$20,550	\$83,550	\$2,055 + 12%	\$20,550
\$83,550	\$178,150	\$9,615 + 22%	\$83,550
\$178,150	\$340,100	\$30,427 + 24%	\$178,150
\$340,100	\$431,900	\$69,295 + 32%	\$340,100
\$431,900	\$647,850	\$98,671 + 35%	\$431,900
\$647,850	—	\$174,253.50 + 37%	\$647,850
<b>Unmarried Individual</b>			
\$0	\$10,275	+ 10%	\$0
\$10,275	\$41,775	\$1,027.50 + 12%	\$10,275
\$41,775	\$89,075	\$4,807.50 + 22%	\$41,775
\$89,075	\$170,050	\$15,213.50 + 24%	\$89,075
\$170,050	\$215,950	\$34,647.50 + 32%	\$170,050
\$215,950	\$539,900	\$49,335.50 + 35%	\$215,950
\$539,900	—	\$162,718 + 37%	\$539,900
<b>Married Individual Filing Separately</b>			
\$0	\$10,275	+ 10%	\$0
\$10,275	\$41,775	\$1,027.50 + 12%	\$10,275
\$41,775	\$89,075	\$4,807.50 + 22%	\$41,775
\$89,075	\$170,050	\$15,213.50 + 24%	\$89,075
\$170,050	\$215,950	\$34,647.50 + 32%	\$170,050
\$215,950	\$323,925	\$49,335.50 + 35%	\$215,950
\$323,925	—	\$87,126.75 + 37%	\$323,925
<b>Head of Household</b>			
\$0	\$14,650	+ 10%	\$0
\$14,650	\$55,900	\$1,465 + 12%	\$14,650
\$55,900	\$89,050	\$6,415 + 22%	\$55,900
\$89,050	\$170,050	\$13,708 + 24%	\$89,050
\$170,050	\$215,950	\$33,148 + 32%	\$170,050
\$215,950	\$539,900	\$47,836 + 35%	\$215,950
\$539,900	—	\$161,218.50 + 37%	\$539,900
<b>Estates and Trusts (Maximum 15% long-term capital gain \$13,700)</b>			
\$0	\$2,750	+ 10%	\$0
\$2,750	\$9,850	\$275 + 24%	\$2,750
\$9,850	\$13,450	\$1,979 + 35%	\$9,850
\$13,450	—	\$3,239 + 37%	\$13,450

#### Corporations<sup>1</sup>

- Corporations are taxed at a flat 21%.
- No special personal service corporation rate.
- Corporate Alternative Minimum Tax repealed.
- Higher capital gain tax obsolete.
- Section 179 depreciation up to \$1,080,000. Phaseout \$2,700,000. SUV: \$27,000.
- Temporary expensing for large companies available.
- Like-kind exchanges limited to real property not held primarily for sale.
- Pass-through entity tax treatment—deductible amount is the lesser of:
  - (a) 20% of the taxpayer's qualified business income, or
  - (b) the greater of: (1) 50% of the W-2 wages, or (2) the sum of 25% of the W-2 wages and 2.5% of the unadjusted basis of all qualified property.
- Deduction phaseout for high earners in professional fields. \$340,100 – \$440,100 (MFJ); \$170,050 – \$220,050 (Others)
- Hedge fund carried interest holding period increased to 3 years.

## EDUCATION INCENTIVE

#### Education Savings Accounts (Education IRAs)—

Qualified withdrawals for K-12 expenses.

**Qualified Tuition Programs (Section 529 Plans)**—Qualified distributions are tax-free and excluded from financial aid calculations. Expanded to include use for up to \$10,000 per year for K-12 elementary and secondary tuition, tuition for trades and apprenticeship programs, and to pay up to \$10,000 (lifetime limit) in student loan debt. Can also be rolled into 529 ABL accounts for those with special needs.

**Lifetime Learning Credit**—Up to 20% of up to \$10,000 tuition paid, calculated per taxpayer. MAGI phaseout range:

- Married filing jointly \$160,000 – \$180,000
- Single \$80,000 – \$90,000

**American Opportunity Tax Credit**—100% on the first \$2,000 and 25% on the next \$2,000 of qualified tuition and related expenses. Up to 40% is refundable. MAGI phaseout range:

- Married filing jointly \$160,000 – \$180,000
- Single \$80,000 – \$90,000

#### Exclusion of U.S. Savings Bond Income for Taxpayers Who Pay Qualified Higher Education Expenses

	MAGI Phaseouts
Married, Filing Jointly	\$128,650 – \$158,650
Others	\$85,800 – \$100,800

#### Student Loan Interest—Maximum Itemized Deduction \$2,500

Married, Filing Jointly	\$145,000 – \$175,000
Others	\$70,000 – \$85,000

## SOCIAL SECURITY

#### Base Amount of Modified AGI Causing Social Security Benefits to Be Taxable

	50% Taxable	85% Taxable
Married, Filing Jointly	\$32,000	\$44,000
Single	\$25,000	\$34,000

#### Maximum Earnings Before Social Security Benefits Are Reduced

	2022
If under full retirement age, lose \$1 for every \$2 earned	\$19,560
In the year of retirement, lose \$1 for every \$3 earned in months prior to full retirement	\$51,960
<b>At full retirement age</b>	<b>No Limit</b>

#### Maximum Compensation Subject to FICA Taxes

	2022
OASDI (Social Security) maximum	\$147,000
HI (Medicare) maximum	No Limit

**FICA tax:** OASDI tax rate: 6.2% employees, 6.2% employers. HI tax rate: 1.45% employees, 1.45% employers. 15.30% self-employed.

**ACA Medicare surtax:** additional 0.9% on total wages for household income over \$250,000 married filing jointly, \$125,000 married separately, and \$200,000 for others.

<sup>1</sup>Personal, estate, and business pass-through tax changes all sunset 12/31/2025. Corporate changes are permanent.

<sup>2</sup>The SECURE Act amended the rules regarding Required Minimum Distributions. For taxpayers born before 7/1/1949, the Required Beginning Date is April 1 of the year following the year the taxpayer attains age 70½. For taxpayers born on or after 7/1/1949, the Required Beginning Date is April 1 of the year following the year the taxpayer attains age 72.

<sup>3</sup>As of 1/1/2020, taxpayers who have earned income will be able to contribute to a traditional IRA regardless of age. This mirrors the current rules for Roth IRA contributions.

<sup>4</sup>The budget legislation that includes the SECURE Act repealed the Kiddie Tax on unearned income at Trust/Estate rates and returned it to personal tax rates.