

Estate and Gift Tax Rates (2021)

The top tax rate applicable to estates and living gifts is 40%.

Other Estate and Gift Planning Items	2020	2021
Estate and gift tax exemption	\$11,580,000	\$11,700,000
GST tax exemption		
Estate tax federal credit	\$4,577,800	\$4,577,800
Annual gift tax exclusion	\$15,000	\$15,000
Annual gift tax exclusion for non-U.S. citizen spouses	\$157,000	\$159,000

Qualified Plans

	2020	2021
Maximum elective deferral to qualified retirement plans, e.g., 401(k), 403(b) and 457 plans, and SARSEP(s)	\$19,500	\$19,500
Maximum elective deferral to SIMPLE 401(k) and SIMPLE IRA plans	\$13,500	\$13,500
Limit on annual additions to SEP plans ¹	\$57,000	\$58,000
Annual compensation threshold to participate in SEP plans	\$600	\$650
Limit on annual additions to defined contribution plans ²	\$57,000	\$58,000
Maximum annual compensation taken into account for contributions	\$285,000	\$290,000
Annual benefit limit under defined benefit plans ³	\$230,000	\$230,000
Threshold amount for definition of highly compensated employee (HCE) ⁴	\$130,000	\$130,000
Threshold amount for definition of key employee/officer in top-heavy plans	\$185,000	\$185,000
Catch-up Contribution Limits (for taxpayers who will be age 50 and over in calendar year)		
	2020	2021
401(k), 403(b), SARSEP and 457 plans	\$6,500	\$6,500
SIMPLE IRA, SIMPLE 401(k) plans	\$3,000	\$3,000

¹Limit on annual additions to SEP plan is the lesser of (1) the annual dollar limit, or (2) 25% of compensation if the participant is treated as an employee (20% of net earnings from self-employment if the participant is treated as self-employed), subject to the annual cap on participant compensation.

²Limit on annual additions to defined contribution plans is generally the lesser of (1) the annual dollar limit, or (2) 100% of a participant's compensation for the year, subject to the annual cap on participant compensation.

³Annual benefit limit under defined benefit plans is generally the lesser of (1) the annual dollar limit, or (2) 100% of the participant's average compensation for his or her three highest consecutive years of active participation.

⁴Definition of HCE is based on compensation in the prior plan year (e.g., HCE in 2021 if compensation in 2020 exceeded \$130,000).

Traditional and Roth IRAs

Contribution Limits	2020	2021
Regular	\$6,000	\$6,000
Catch-up (age 50 and over in calendar year)	\$1,000	\$1,000

Beginning in 2020, there is no longer a prohibition on making eligible contributions into an IRA after age 70½.

MAGI Phase-out Range for Contributions to Roth IRAs in 2021⁵

Married filing jointly and qualified widow(er)	Married filing separately	Single and head of household
\$198,000 – \$208,000	\$0 – \$10,000	\$125,000 – \$140,000

Traditional IRA Deductibility Rules ⁵				
Filing Status	Employer's Retirement Plan Coverage	MAGI 2020	MAGI 2021	Deduction
Single and head of household	No	Any amount	Any amount	Full
	Yes	≤ \$65,000	≤ \$66,000	Full
		≥ \$75,000	≥ \$76,000	None
Married filing jointly and qualifying widow(er)	Neither spouse covered	Any amount	Any amount	Full
	Both spouses covered	≤ \$104,000	≤ \$105,000	Full
		\$104,001 – \$123,999	\$105,001 – \$124,999	Partial
		≥ \$124,000	≥ \$125,000	None
	One spouse covered—for covered spouse	≤ \$104,000	≤ \$105,000	Full
		\$104,001 – \$123,999	\$105,001 – \$124,999	Partial
≥ \$124,000		≥ \$125,000	None	
One spouse covered—for spouse not covered by plan	≤ \$196,000	≤ \$198,000	Full	
	\$196,001 – \$205,999	\$198,001 – \$207,999	Partial	
	≥ \$206,000	≥ \$208,000	None	
Married filing separately	Individual filing is covered by plan	MAGI phase-out range is \$0–\$10,000 (not subject to annual adjustment)		
	Individual filing not covered by plan	Not subject to MAGI phase-out limits		

Long-Term Care Insurance

(qualified LTC contract per diem limit: \$400)

Maximum Qualified LTC Premium Eligible for Deduction

Attained Age Before Close of Taxable Year	2020	2021
40 or less	\$430	\$450
More than 40; not more than 50	\$810	\$850
More than 50; not less than 60	\$1,630	\$1,690
More than 60; not more than 70	\$4,350	\$4,520
More than 70	\$5,430	\$5,640

⁵ Full contribution permitted if MAGI is at or below the threshold amount. Partial contribution is permitted if MAGI is within the phase-out range. No contribution is permitted if MAGI is above the phase-out range.

Required Minimum Distributions (Uniform Lifetime Table)

Current Age	Distribution Period	Current Age	Distribution Period
70	27.4	93	9.6
71	26.5	94	9.1
72	25.6	95	8.6
73	24.7	96	8.1
74	23.8	97	7.6
75	22.9	98	7.1
76	22.0	99	6.7
77	21.2	100	6.3
78	20.3	101	5.9
79	19.5	102	5.5
80	18.7	103	5.2
81	17.9	104	4.9
82	17.1	105	4.5
83	16.3	106	4.2
84	15.5	107	3.9
85	14.8	108	3.7
86	14.1	109	3.4
87	13.4	110	3.1
88	12.7	111	2.9
89	12.0	112	2.6
90	11.4	113	2.4
91	10.8	114	2.1
92	10.2	115 and Over	1.9

Individuals turning age 70½ on or after January 1, 2020 will not be required to begin distributions until after reaching age 72.

Neither Security Benefit Life Insurance Company, Security Financial Resources, nor Security Distributors is a fiduciary and the information provided is not intended to be investment advice. This information is general in nature and intended for use with the general public. For additional information, including any specific advice or recommendations, please visit with your financial professional.

Security Benefit, its affiliates and subsidiaries, and their respective employees and/or representatives do not provide tax, accounting or legal advice. Any statements contained herein concerning taxes are not intended as and should not be construed as tax advice, nor should they be used for the purpose of avoiding federal, state or local taxes and/or tax penalties. Please seek independent tax, accounting or legal advice.

For more information, contact your Financial Professional or Tax Advisor.



One Security Benefit Place | Topeka, KS 66636 | SecurityBenefit.com
22-80140-39 2021/01/01

SECURITY BENEFIT

Quick Reference Tax Guide

2021



Income Tax Bracket Comparison 2020 vs. 2021

2020

If Taxable Income is

Over	But Not Over	The Tax is	Of the Amount Over
Married Filing Jointly and Surviving Spouses			
\$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	—	\$167,307.50 + 37%	\$622,050

Single			
\$0	\$9,875	\$0 + 10%	\$0
\$9,875	\$40,125	\$987.50 + 12%	\$9,875
\$40,125	\$85,525	\$4,617.50 + 22%	\$40,125
\$85,525	\$163,300	\$14,605.50 + 24%	\$85,525
\$163,300	\$207,350	\$33,271.50 + 32%	\$163,300
\$207,350	\$518,400	\$47,367.50 + 35%	\$207,350
\$518,400	—	\$156,235 + 37%	\$518,400

Married Filing Separately			
\$0	\$9,875	\$0 + 10%	\$0
\$9,875	\$40,125	\$987.50 + 12%	\$9,875
\$40,125	\$85,525	\$4,617.50 + 22%	\$40,125
\$85,525	\$163,300	\$14,605.50 + 24%	\$85,525
\$163,300	\$207,350	\$33,271.50 + 32%	\$163,300
\$207,350	\$311,025	\$47,367.50 + 35%	\$207,350
\$311,025	—	\$83,653.75 + 37%	\$311,025

Head of Household			
\$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	—	\$154,793.50 + 37%	\$518,400

Income of Estates and Trusts: Tax rates are graduated from 10% to 37%. Income over \$12,950 will be taxed at 37%.

2021

If Taxable Income is

Over	But Not Over	The Tax is	Of the Amount Over
Married Filing Jointly and Surviving Spouses			
\$0	\$19,900	\$0 + 10%	\$0
\$19,900	\$81,050	\$1,990 + 12%	\$19,900
\$81,050	\$172,750	\$9,328 + 22%	\$81,050
\$172,750	\$329,850	\$29,502 + 24%	\$172,750
\$329,850	\$418,850	\$67,206 + 32%	\$329,850
\$418,850	\$628,300	\$95,686 + 35%	\$418,850
\$628,300	—	\$168,993.50 + 37%	\$628,300

Single			
\$0	\$9,950	\$0 + 10%	\$0
\$9,950	\$40,525	\$995 + 12%	\$9,950
\$40,525	\$86,375	\$4,664 + 22%	\$40,525
\$86,375	\$164,925	\$14,751 + 24%	\$86,375
\$164,925	\$209,425	\$33,603 + 32%	\$164,925
\$209,425	\$523,600	\$47,843 + 35%	\$209,425
\$523,600	—	\$157,804.25 + 37%	\$523,600

Married Filing Separately			
\$0	\$9,950	\$0 + 10%	\$0
\$9,950	\$40,525	\$995 + 12%	\$9,950
\$40,525	\$86,375	\$4,664 + 22%	\$40,525
\$86,375	\$164,925	\$14,751 + 24%	\$86,375
\$164,925	\$209,425	\$33,603 + 32%	\$164,925
\$209,425	\$314,150	\$47,843 + 35%	\$209,425
\$314,150	—	\$84,496.75 + 37%	\$314,150

Head of Household			
\$0	\$14,200	\$0 + 10%	\$0
\$14,200	\$54,200	\$1,420 + 12%	\$14,200
\$54,200	\$86,350	\$6,220 + 22%	\$54,200
\$86,350	\$164,900	\$13,293 + 24%	\$86,350
\$164,900	\$209,400	\$32,145 + 32%	\$164,900
\$209,400	\$523,600	\$46,385 + 35%	\$209,400
\$523,600	—	\$156,355 + 37%	\$523,600

Income of Estates and Trusts: Tax rates are graduated from 10% to 37%. Income over \$13,050 will be taxed at 37%.

Kiddie Tax: For 2021, when the Kiddie Tax applies, a child's net unearned income is taxed at the child's parents' marginal income tax rate. Consult your tax advisor regarding Kiddie Tax rates applicable for other years.

Personal Exemptions

Exemption	2020	2021
Married filing jointly	\$0	\$0
Head of household	\$0	\$0

Child Tax Credit: \$2,000 per qualifying child phases out \$50 for each \$1,000 of Modified Adjusted Gross Income (MAGI) in excess of \$400,000 (married filing jointly), or \$200,000 (all other returns)

Standard Deductions (2021)	Annual	Add'l 65 or Older, or Blind
Married filing jointly	\$25,100	\$1,350
Head of household	\$18,800	\$1,700
Single	\$12,550	\$1,700
Married filing separately	\$12,550	\$1,350

Capital Gains and Qualifying Dividends Tax Rate (2021)

If Taxable Income is Over:	But Not Over:	Short Term ≤ 12 Months	Long Term > 12 Months	
				Joint return or surviving spouse
Head of household	\$0	\$54,100		
Single	\$0	\$40,400		
Married filing separately	\$0	\$40,400	Ordinary Rate	15%
Joint return or surviving spouse	\$80,800	\$501,600		
Head of household	\$54,100	\$473,750		
Single	\$40,400	\$445,850	Ordinary Rate	20%
Married filing separately	\$40,400	\$250,800		
Joint return or surviving spouse	\$501,600	—		
Head of household	\$473,750	—	Ordinary Rate	20%
Single	\$445,850	—		
Married filing separately	\$250,800	—		

Alternative Minimum Tax (AMT)

	Exemption	
	2020	2021
Single	\$72,900	\$73,600
Married filing jointly	\$113,400	\$114,600
AMT Phase-out Beginning Thresholds		
Single	\$518,400	\$523,600
Married filing jointly	\$1,036,800	\$1,047,200

Corporate Tax Rate (2021)

The corporate tax rate is a flat 21% rate.

Education Incentives (2021)

Qualified Tuition Programs (Section 529 plans)
Distributions (including earnings) used for qualified higher education expenses are federal income tax-free. This includes K-12 tuition expenses with a \$10,000 per year limit per beneficiary from all section 529 accounts. Beginning in 2019, distributions for qualified education loan repayments of the beneficiary or beneficiary's sibling (up to a lifetime maximum of \$10,000 per individual) and for qualified apprenticeship expenses are treated as qualified higher education expenses.

MAGI Phase-out Ranges		
Contribution Limits	Married filing jointly	Single; Head of Household; Married Filing Separately
Coverdell ESA (\$2,000 Contribution Limit)	\$190,000 - \$220,000	\$95,000 - \$110,000

Credits, Exclusions and Deductions (not available if married filing separately)

Lifetime Learning Credit (up to 20% of first \$10,000 of qualified tuition and related expenses, per taxpayer)	\$160,000 - \$180,000	\$80,000 - \$90,000
American Opportunity Tax Credit (up to \$2,500 per eligible student)	\$160,000 - \$180,000	\$80,000 - \$90,000
Exclusion of U.S. Savings Bonds Income	\$124,800 - \$154,800	\$83,200 - \$98,200
Student Loan Interest Deduction (up to \$2,500)	\$140,000 - \$170,000	\$70,000 - \$85,000

Social Security

Base Amount of Combined Income Causing Social Security Benefits to be Taxable* (2021)		
	50% Taxable	85% Taxable
Married filing jointly	\$32,000	\$44,000
Single or head of household	\$25,000	\$34,000

*If married filing separately, benefits are likely to be taxable

Maximum Earnings Before Social Security Benefits are Reduced		
	2020	2021
If under full retirement age, lose \$1 for every \$2 earned	\$18,240	\$18,960
In the year of retirement, lose \$1 for every \$3 earned in months prior to full retirement	\$48,600	\$50,520
At full retirement age	No Limit	No Limit
Maximum Compensation Subject to FICA Taxes		
OASDI (Social Security) maximum	\$137,700	\$142,800
HI (Medicare) maximum	No Limit	No Limit

OASDI tax rate: 12.4% self-employed, 6.2% employees, 6.2% employers.

HI tax rate: 2.9% self-employed, 1.45% employees, 1.45% employers. For HI, additional 0.9% on total wages for household income over \$250,000 married filing jointly, \$125,000 married filing separately, and \$200,000 for others.