

2020 Planning Guide

Medicare Is Often Referred to by Its "Parts"	
PART A	Covers part of the cost of hospitalization and is free of a monthly premium for those eligible.
PART B	Covers part of the cost of doctor visits and other health care services. Medicare charges a monthly premium for Part B unless special assistance for the poor is provided.
PART C	Covers part of the cost of prescription drugs and is offered through private insurers.

In addition to Medicare, you may also want additional or alternative insurance offered through private insurers.

Supplemental Insurance	Often referred to as Medigap and designed to cover the costs Medicare does not, such as some deductibles, co-payments and coinsurance.
Medicare Advantage Plans	Sometimes referred to as Medicare Part C. They are responsible for delivering all coverage of Parts A and B. Most also offer Part D prescription drug coverage.

Medicare Monthly Premiums	
Part A	\$0 / \$252 / \$458
*Free if greater than or equal to 40 quarters; \$252.00 if 30-39 quarters; \$458.00 if < 30 quarters	
Part B	\$144.60 - \$491.60

Social Security Age	
If you were born in:	Your full retirement age is:
1943 - 1954	66
1955	66 and 2 months
1956	66 and 4 months
1957	66 and 6 months
1958	66 and 8 months
1959	66 and 10 months
1960 and later	67

Maximum Monthly Social Security Retirement Benefit	
\$ 3,011	if you reach FRA in 2020

Maximum Social Security Income Base
\$137,700

Uniform Lifetime Table (Partial)			
Age of IRA owner or plan participant	Life expectancy (in years)	Age of IRA owner or plan participant	Life expectancy (in years)
70	27.4	86	14.1
71	26.5	87	13.4
72	25.6	88	12.7
73	24.7	89	12.0
74	23.8	90	11.4
75	22.9	91	10.8
76	22.0	92	10.2
77	21.2	93	9.6
78	20.3	94	9.1
79	19.5	95	8.6
80	18.7	96	8.1
81	17.9	97	7.6
82	17.1	98	7.1
83	16.3	99	6.7
84	15.5	100	6.3
85	14.8	101	5.9

LTCG Rates Based on Taxable Income			
Filing Status	0% rate	15% rate	20% rate
Single	under \$40,000	\$40,000 - \$441,450	over \$441,450
Head of household	under \$53,600	\$53,600 - \$469,050	over \$469,050
Married filing jointly	under \$80,000	\$80,000 - \$496,600	over \$496,600
Estates and trusts	under \$2,650	\$2,650 - \$13,150	over \$13,150



Ronald G. Hollander, Sr. Vice President
 Tricia M. Hollander Henning, CFP®, CIMA®, CPWA®, Director
 Teri M. Hollander Albin, CFP®, CIMA®, CPWA®, Director

110 Main St., Evansville, IN 47708
 812-426-1481 . 888-426-1481
 Fax: 812-428-8697
 thehollandergroup@rwbaird.com
 thehollandergroup.rwbaird.com

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	2019 top rate 40%	2020 40%
Federal Estate, Gift, and GS Tax Exclusion	\$11,400,000*	\$11,580,000
Lifetime Gift Exclusion.	\$11,400,000*	\$11,580,000

*Indexed annually for inflation / Sunsets to prior law 12/31/2025

Gift Tax Exclusion 2019 \$15,000 2020 \$15,000
This is the amount an individual may gift to another individual without reporting it on a gift tax return. Married couples may gift \$30,000. A spouse may gift up to \$157,000 (up from \$155,000) to a non-citizen spouse.

Retirement Plan Contribution Limits	2019	2020
Annual compensation used to determine contribution for most plans	\$280,000	\$285,000
Defined-contribution plans, basic limit	\$56,000	\$57,000
Defined-benefit plans, basic limit	\$225,000	\$230,000
401(k) plans, 403(b) plans, 457(b) plans, elective deferrals	\$19,000	\$19,500
Catch-up provision for individuals 50 & over, 401(k), 403(b), 457(b)	\$6,000	\$6,500
SIMPLE plans, elective deferral limit	\$13,000	\$13,500
SIMPLE plans, catch-up contribution for individuals 50 & over	\$3,000	\$3,000
SEP	\$56,000*	\$57,000*

*or the lesser of 25% employee's compensation

Individual Retirement Accounts	2019	2020
Maximum contribution for traditional and Roth IRAs	\$6,000	\$6,000
Catch-up contribution for individuals 50 and over	\$1,000	\$1,000

Standard Deduction	2019	2020
Married filing jointly and qualifying widow(er)s	\$24,400	\$24,800
Single or married filing separately	\$12,200	\$12,400
Head of household	\$18,350	\$18,650
Additional deduction for seniors or blind (single or HOH)	\$1,650	\$1,650
Additional deduction for seniors or blind (all other filing statuses)	\$1,300	\$1,300

Medicare Surtax	2019	2020
3.8% Tax on Lesser of Net Investment Income or Excess of MAGI Over		
Single, head of household		\$200,000
Married filing jointly, qualifying widow(er)		\$250,000
Married filing separately		\$125,000

Tax on Social Security Benefits
The income thresholds that determine whether or not Social Security benefits are taxable are not indexed for inflation and therefore remain the same every year. The formula is based on "combined income", also called "provisional income", which includes modified adjusted gross income (MAGI), plus one-half of the Social Security benefit, plus tax-exempt interest.

Married Filing Jointly	Head of Household or Married Filing Separately*	Amount of Social Security Subject to Tax
Under \$32,000	Under \$25,000	0
Between \$32,000 & \$44,000	Between \$25,000 & \$34,000	Up to 50%
Over \$44,000	Over \$34,000	Up to 85%

*and not living with spouse. MFS and living with spouse is 85% for income > \$0

How Working in 2019 May Affect Your Social Security Benefits

Age	Amount of Benefit Reduction
Under Full Retirement Age (FRA)	\$1 reduction for each \$2 in earnings over \$18,240.
Year of FRA	\$1 reduction for each \$3 in earnings over \$48,600 until the month you reach FRA.
FRA and Over	No reduction regardless of earnings.

Roth IRA Contribution Limits MAGI Phase Out Thresholds

	2019	2020
Single Individuals/Heads of Households	\$120,000 - \$135,000	\$124,000 - \$139,000
Married Filing Jointly	\$189,000 - \$199,000	\$196,000 - \$206,000
Married filing Separately	\$0 - \$10,000	\$0 - \$10,000

Traditional IRA Phase Outs If Covered by Employer Plan

	2019	2020
Single Individuals/Heads of Households	\$63,000 - \$73,000	\$65,000 - \$75,000
Married Filing Jointly	\$101,000 - \$121,000	\$104,000 - \$124,000
Married Filing Separate	\$0 - \$10,000	\$0 - \$10,000
Spouse of Participant	\$189,000 - \$199,000	\$196,000 - \$206,000

2020 TAX RATES				
Married Filing Jointly / Surviving Spouses				
If Taxable Income Is Over	But Not Over	Tax Is	Plus	Of the Amount Over
\$0	\$19,750	\$0	10%	\$0
\$19,751	\$80,250	\$1,975.00	12%	\$19,750.00
\$80,251	\$171,050	\$9,235.00	22%	\$80,250.00
\$171,051	\$326,600	\$29,211.00	24%	\$171,050.00
\$326,601	\$414,700	\$66,543.00	32%	\$326,600.00
\$414,701	\$622,050	\$94,735.00	35%	\$414,700.00
\$622,051		\$167,307.50	37%	\$622,050.00

Single Taxpayers				
If Taxable Income Is Over	But Not Over	Tax Is	Plus	Of the Amount Over
\$0	\$9,875	\$0	10%	\$0
\$9,876	\$40,125	\$987.50	12%	\$9,875.00
\$40,126	\$85,525	\$4,617.50	22%	\$40,125.00
\$85,526	\$163,300	\$14,605.50	24%	\$85,525.00
\$163,301	\$207,350	\$33,217.50	32%	\$163,300.00
\$207,351	\$518,400	\$47,367.50	35%	\$207,350.00
\$518,401		\$156,235.00	37%	\$518,400.00

Heads Of Households				
If Taxable Income Is Over	But Not Over	Tax Is	Plus	Of the Amount Over
\$0	\$14,100	\$0	10%	\$0
\$14,101	\$53,700	\$1,410.00	12%	\$14,100.00
\$53,701	\$85,500	\$6,162.00	22%	\$53,700.00
\$85,501	\$163,300	\$13,158.00	24%	\$85,500.00
\$163,301	\$207,350	\$31,830.00	32%	\$163,300.00
\$207,351	\$518,400	\$45,926.00	35%	\$207,350.00
\$518,401		\$154,793.50	37%	\$518,400.00

Married Taxpayers Filing Separate Returns				
If Taxable Income Is Over	But Not Over	Tax Is	Plus	Of the Amount Over
\$0	\$9,875	\$0	10%	\$0
\$9,876	\$40,125	\$987.50	12%	\$9,875.00
\$40,126	\$85,525	\$4,617.50	22%	\$40,125.00
\$85,526	\$163,300	\$14,605.50	24%	\$85,525.00
\$163,301	\$207,350	\$33,271.50	32%	\$163,300.00
\$207,351	\$311,025	\$47,367.50	35%	\$207,350.00
\$311,026		\$83,653.75	37%	\$311,026.00

Trusts & Estates				
If Taxable Income Is Over	But Not Over	Tax Is	Plus	Of the Amount Over
\$0	\$2,600	\$0	10%	\$0
\$2,601	\$9,450	\$260.00	24%	\$2,600.00
\$9,451	\$12,950	\$1,904.00	35%	\$9,450.00
\$12,951		\$3,129.00	37%	\$12,950.00