

# '20 Tax

## REFERENCE SHEET

Columbus Life Insurance Company  
Cincinnati, Ohio  
800.677.9696, Option 8  
www.ColumbusLife.com

### Tax Brackets for 2020

Taxable income (i.e., income minus deductions and credits) between:

#### Married, Joint

|                     |     |
|---------------------|-----|
| \$0-\$19,750        | 10% |
| \$19,751-\$80,250   | 12% |
| \$80,251-\$171,050  | 22% |
| \$171,051-\$326,600 | 24% |
| \$326,601-\$414,700 | 32% |
| \$414,701-\$622,050 | 35% |
| over \$622,050      | 37% |

Capital gains/qualified dividends

|                    |     |
|--------------------|-----|
| \$0-\$80,000       | 0%  |
| \$80,001-\$496,600 | 15% |
| over \$496,600     | 20% |

#### Single

|                     |     |
|---------------------|-----|
| \$0-\$9,875         | 10% |
| \$9,876-\$40,125    | 12% |
| \$40,126-\$85,525   | 22% |
| \$85,526-\$163,300  | 24% |
| \$163,301-\$207,350 | 32% |
| \$207,351-\$518,400 | 35% |
| over \$518,400      | 37% |

Capital gains/qualified dividends

|                    |     |
|--------------------|-----|
| \$0-\$40,000       | 0%  |
| \$40,001-\$441,450 | 15% |
| over \$441,450     | 20% |

#### Married, Separate

|                     |     |
|---------------------|-----|
| \$0-\$9,875         | 10% |
| \$9,876-\$40,125    | 12% |
| \$40,126-\$85,525   | 22% |
| \$85,526-\$163,300  | 24% |
| \$163,301-\$207,350 | 32% |
| \$207,351-\$311,025 | 35% |
| over \$311,025      | 37% |

Capital gains/qualified dividends

|                    |     |
|--------------------|-----|
| \$0-\$40,000       | 0%  |
| \$40,001-\$248,300 | 15% |
| over \$248,300     | 20% |

#### Head of Household (HOH)

|                     |     |
|---------------------|-----|
| \$0-\$14,100        | 10% |
| \$14,101-\$53,700   | 12% |
| \$53,701-\$85,500   | 22% |
| \$85,501-\$163,300  | 24% |
| \$163,301-\$207,350 | 32% |
| \$207,351-\$518,400 | 35% |
| over \$518,400      | 37% |

Capital gains/qualified dividends

|                    |     |
|--------------------|-----|
| \$0-\$53,600       | 0%  |
| \$53,601-\$469,050 | 15% |
| over \$469,050     | 20% |

#### Estates and Trusts

|                  |     |
|------------------|-----|
| \$0-\$2,600      | 10% |
| \$2,601-\$9,450  | 24% |
| \$9,451-\$12,950 | 35% |
| over \$12,950    | 37% |

Capital gains/qualified dividends

|                  |     |
|------------------|-----|
| \$0-\$2,650      | 0%  |
| \$2,651-\$13,150 | 15% |
| over \$13,150    | 20% |

#### Corporate Tax Rate

21%

### Standard Deduction

|  |          |
|--|----------|
| Married, joint   | \$24,800 |
| Single; married, separate  | \$12,400 |
| Head of household  | \$18,650 |
| Blind or over 65: add \$1,300 if married<br>\$1,650 if single or head of household |          |

### Child/Dependent Tax Credit

|                      |   |
|----------------------|---|
| Child                | \$2,000 per child<br>up to \$1,400 refundable |
| Qualifying dependent | \$500<br>per dependent, nonrefundable         |

### Mortgage Interest Deduction

On acquisition indebtedness up to \$750,000 for 1st and 2nd homes  
No deduction for home equity indebtedness

### State and Local Tax Deduction Limit

|   |          |
|---|----------|
| State and local income and property tax deduction | \$10,000 |
|---|----------|

### Alternative Minimum Tax Exemption Amount

|                   |           |
|-------------------|-----------|
| Married, joint    | \$113,400 |
| Single, HOH       | \$72,900  |
| Married, separate | \$56,700  |

### IRA and Pension Plan Limits

|                  |         |
|------------------|---------|
| IRA contribution |         |
| Under age 50     | \$6,000 |
| Age 50 and over  | \$7,000 |

|   |                          |
|---|--------------------------|
| Phaseout for deducting IRA contribution         |                          |
| Married, joint                                  | \$104,000-\$124,000 MAGI |
| Single, HOH                                     | \$65,000-\$75,000 MAGI   |
| Married, separate                               | \$0-\$10,000 MAGI        |
| Phaseout for deducting spousal IRA <sup>1</sup> | \$196,000-\$206,000 MAGI |

|   |                          |
|---|--------------------------|
| Phaseout of Roth contribution eligibility |                          |
| Married, joint                            | \$196,000-\$206,000 MAGI |
| Single, HOH                               | \$124,000-\$139,000 MAGI |
| Married, separate                         | \$0-\$10,000 MAGI        |

|                                    |          |
|------------------------------------|----------|
| SEP contribution                   |          |
| Up to 25% of compensation, limit   | \$57,000 |
| Compensation to participate in SEP | \$600    |
| SIMPLE elective deferral           |          |
| Under age 50                       | \$13,500 |
| Age 50 and over                    | \$16,500 |

|   |          |
|---|----------|
| 401(k), 403(b) <sup>2</sup> , 457 and SARSEP elective deferral under age 50                 | \$19,500 |
| 401(k), 403(b) <sup>2</sup> , 457 <sup>3</sup> and SARSEP elective deferral age 50 and over | \$26,000 |

|                                   |           |
|-----------------------------------|-----------|
| Annual defined contribution limit | \$57,000  |
| Annual defined benefit limit      | \$230,000 |
| Highly compensated employee       | \$130,000 |
| Key Employee in top heavy plans   | \$185,000 |

Annual compensation taken into account for qualified plans \$285,000

|  |                    |
|--|--------------------|
| Retirement Tax Credit: A percent tax credit for an IRA, 401(k), 403(b) or 457 plan contribution, in addition to deduction or exclusion, if |                    |
| Married, joint   | Below \$65,000 AGI |
| Head of household  | Below \$48,750 AGI |
| Single; married, separate  | Below \$32,500 AGI |

Maximum qualified longevity annuity contract (QLAC) premium \$135,000

### Gift and Estate Tax

|   |              |
|---|--------------|
| Gift tax annual exclusion                       | \$15,000     |
| Estate and gift tax rate                        | 40%          |
| Estate tax exemption                            | \$11,580,000 |
| Lifetime gift exemption                         | \$11,580,000 |
| GST exemption                                   | \$11,580,000 |
| Annual exclusion for gifts to noncitizen spouse | \$157,000    |

### Additional Medicare Tax Where Income Exceeds \$200,000 (\$250,000 married, joint)

|  |      |
|--|------|
| Additional tax on excess of earned income <sup>4</sup> | 0.9% |
| Additional tax on Net Investment Income <sup>5</sup>   | 3.8% |

### Health Care

|                         |                 |
|-------------------------|-----------------|
| Eligible Long-Term Care | Deduction Limit |
| Age 40 or less          | \$430           |
| Ages 41 to 50           | \$810           |
| Ages 51 to 60           | \$1,630         |
| Ages 61 to 70           | \$4,350         |
| Ages over 70            | \$5,430         |

### Per Diem Limitation for LTC Benefits

\$380

- Assumes individual or spouse also participates in an employer-sponsored retirement plan.
- Special increased limit may apply to certain 403(b) contributors with 15 or more years of service.
- In last 3 years prior to year of retirement, 457 plan participant may be able to double elective deferral if needed to catch up on prior missed contributions, but if they do, they cannot use catch up.
- Total Employee Medicare Tax is 1.45% + 0.9% = 2.35%.
- Including interest, dividends, capital gains and annuity distributions.



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# COLUMBUS LIFE INSURANCE COMPANY 2020 TAX REFERENCE SHEET

## Education

Coverdell Education Savings Account \$2,000  
 Coverdell contribution eligibility phaseout  
     Married, joint \$190,000–\$220,000  
     All others \$95,000–\$110,000

Student loan interest deduction limit \$2,500  
 Interest deduction is phased out  
     Married, joint \$140,000–\$170,000 MAGI  
     All others \$70,000–\$85,000 MAGI

Phaseout of Lifetime Learning Credits  
     Married, joint \$118,000–\$138,000  
     All others \$59,000–\$69,000

Tax-free savings bonds interest phased out  
     Married, joint \$123,550–\$153,550 MAGI  
     All others \$82,350–\$97,350 MAGI

## Social Security<sup>6</sup>

Amount Needed to Earn  
     One Credit \$1,410

Amount Needed to Earn  
     Four Credits \$5,640

Social Security and Medicare Tax Rates  
     Employee 7.65%  
     Employer 7.65%  
     Self-Employed 15.30%

Maximum Monthly Retirement Benefit at Full Retirement Age \$3,011  
 Cost of Living Adjustment 1.6%

Maximum earnings (during work years) subject to tax \$137,700

Income<sup>7</sup> (in retirement) causing Social Security benefits to be taxable  
     Married, joint  
         50% taxable \$32,000 MAGI  
         85% taxable \$44,000 MAGI  
     Single  
         50% taxable \$25,000 MAGI  
         85% taxable \$34,000 MAGI

Loss of Social Security retirement benefits:  
 In years prior to full retirement age, \$1 in benefits will be reduced for every \$2 of earnings in excess of \$18,240. In the year of full retirement age, \$1 in benefits will be reduced for every \$3 of earnings in excess of \$48,600 (applies only to months of earnings prior to full retirement age). There is no limit on earnings beginning the month an individual attains full retirement age.

### Average Monthly Benefit (December 2018)

Average Monthly Retirement Benefit  
     Men \$1,627  
     Women \$1,297  
 Average Monthly Survivor Benefit  
     Men \$1,227  
     Women \$1,394

Source: *Fast Facts and Figures about Social Security, 2019.*

6. Source: Social Security Administration, www.ssa.gov, 12/21/2019.

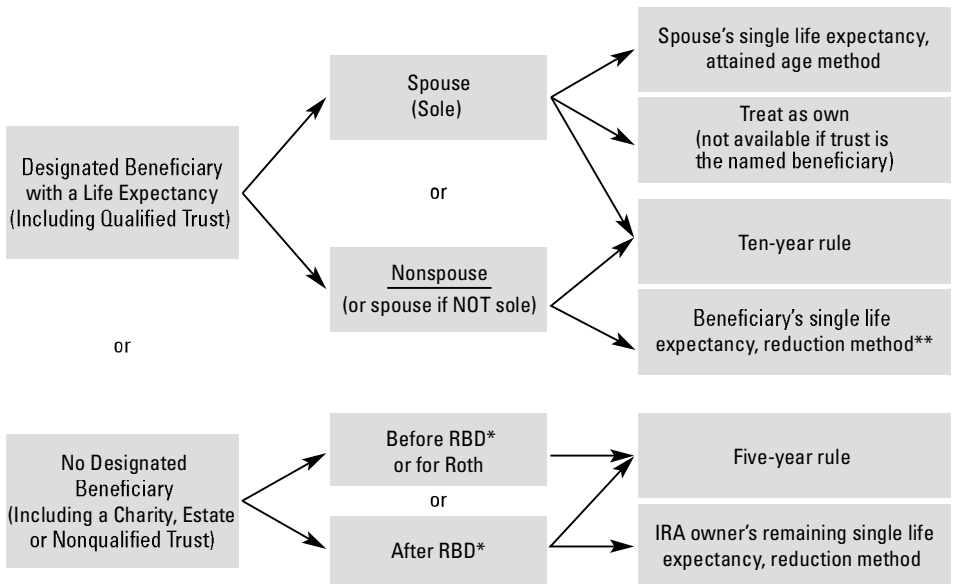
7. Income is most income including muni bond interest but only 1/2 of Social Security.

## Uniform Lifetime Table

Use to calculate Required Minimum Distributions\* from IRAs and qualified plans during owner's life. If owner has spousal beneficiary more than 10 years younger, use instead Joint Life Table from IRS Pub. 590.

| Taxpayer's Age | Life Expectancy | Taxpayer's Age | Life Expectancy |
|----------------|-----------------|----------------|-----------------|
| 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+           | 1.9             |

## IRA Beneficiary Options



\*RBD defined as "Required Beginning Date" (April 1 following the year a Traditional IRA or SIMPLE IRA holder reached age 72). Change in required beginning date (RBD) for required minimum distributions (RMDs) made pursuant to the terms of the SECURE Act, effective 1/1/2020.

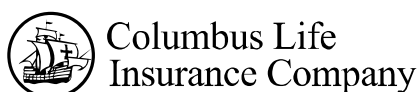
\*\* Method only available if the non-spouse beneficiary is the minor child of the deceased IRA owner (until the child's age of majority), disabled, chronically ill or not more than 10 years younger than the deceased IRA owner.

## Single Life Table

Use to calculate Required Minimum Distributions\* from IRAs and qualified plans after owner's death. See IRS Pub. 590 for complete table of ages 0 through 111+.

| Age | Life Expectancy | Age | Life Expectancy |
|-----|-----------------|-----|-----------------|
| 39  | 44.6            | 63  | 22.7            |
| 40  | 43.6            | 64  | 21.8            |
| 41  | 42.7            | 65  | 21.0            |
| 42  | 41.7            | 66  | 20.2            |
| 43  | 40.7            | 67  | 19.4            |
| 44  | 39.8            | 68  | 18.6            |
| 45  | 38.8            | 69  | 17.8            |
| 46  | 37.9            | 70  | 17.0            |
| 47  | 37.0            | 71  | 16.3            |
| 48  | 36.0            | 72  | 15.5            |
| 49  | 35.1            | 73  | 14.8            |
| 50  | 34.2            | 74  | 14.1            |
| 51  | 33.3            | 75  | 13.4            |
| 52  | 32.3            | 76  | 12.7            |
| 53  | 31.4            | 77  | 12.1            |
| 54  | 30.5            | 78  | 11.4            |
| 55  | 29.6            | 79  | 10.8            |
| 56  | 28.7            | 80  | 10.2            |
| 57  | 27.9            | 81  | 9.7             |
| 58  | 27.0            | 82  | 9.1             |
| 59  | 26.1            | 83  | 8.6             |
| 60  | 25.2            | 84  | 8.1             |
| 61  | 24.4            | 85  | 7.6             |
| 62  | 23.5            | 86  | 7.1             |

## ADVANCEDMARKETS



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