

FINANCIAL PLANNING LIMITS AND TAX RATE SCHEDULES

2025: ONE BIG BEAUTIFUL BILL (OBBBA) UPDATES

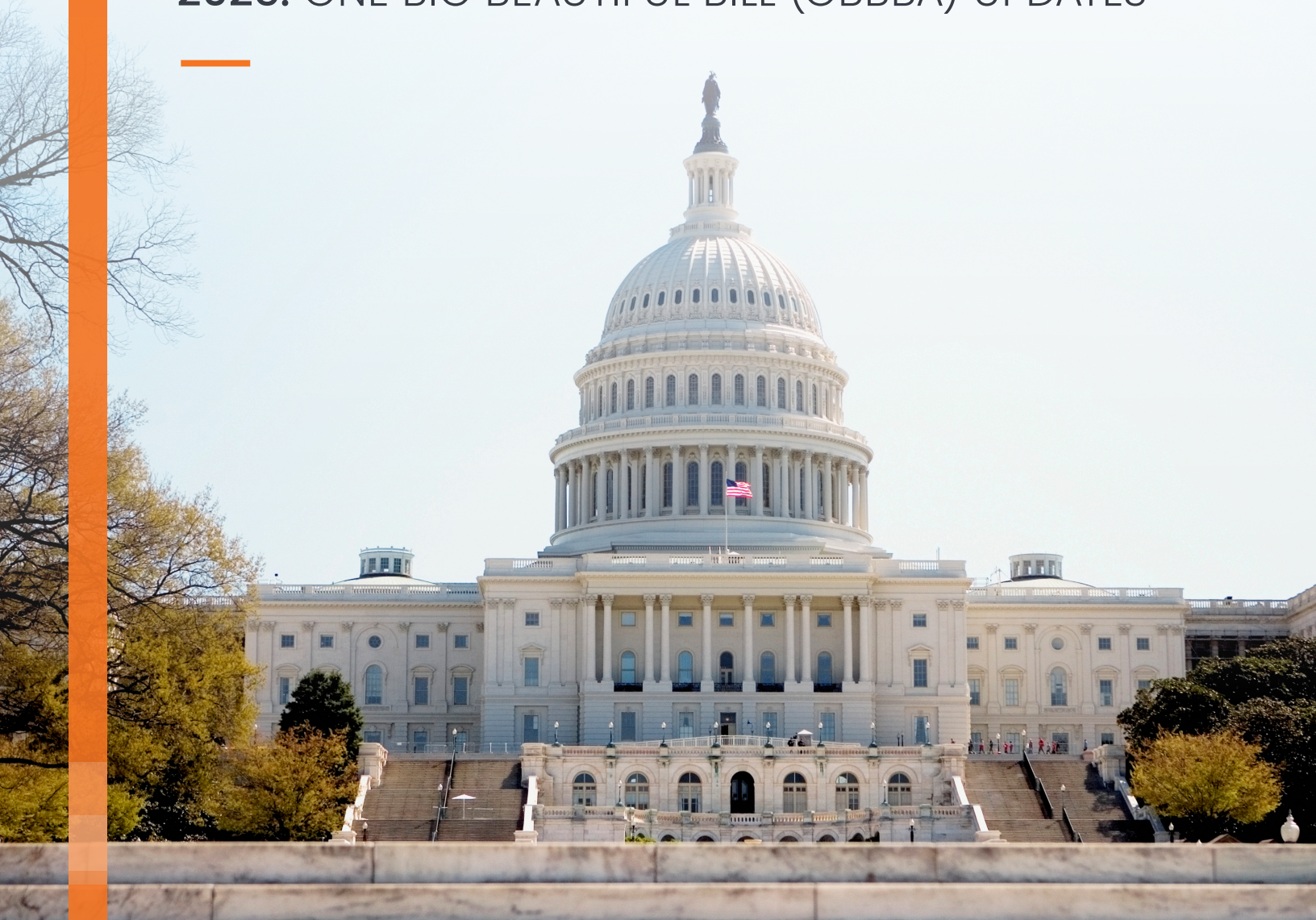


TABLE OF CONTENTS



2025 Tax rate schedules | Pg. 3

- Single Taxpayers
- Married Individuals (and Surviving Spouses) Filing Joint Returns
- Heads of Households
- Married Individuals Filing Separate Returns
- Fiduciary (Estates and Trusts) Taxpayers

Income tax exemptions and deductions | Pg. 4

- Standard Deductions
- Elderly and Blind Deductions
- Kiddie Tax
- Adoption Credit
- AMT Exemption
- AMT Exemption Phaseout
- Child Tax Credit
- Child Tax Phaseout
- Credit for Other Dependents

Social Security planning | Pg. 5

- Wage Base
- FICA Tax – Employee
- FICA Tax – Self-Employed
- Additional Medicare Payroll Tax
- Quarter of Coverage
- Earnings Limitations
- Cost of Living Adjustment
- Maximum Monthly Benefit
- Percentage of Social Security Benefits Subject to Tax

Retirement plan limits | Pg. 6

- Elective Deferral Limits
- Traditional and Roth IRAs Contribution Limits
- Traditional IRA Deduction Phaseout for Active Participants
- Roth IRA Contribution Phaseouts
- Maximum Includable Compensation
- Defined Benefit Limit
- Defined Contribution Limit
- Highly Compensated Employees
- Key Employee
- SEP Minimum Compensation Limit
- Retirement Saver's Credit

Estate and gift tax planning | Pg. 6

- Annual Gift Exclusion
- Estate Tax Applicable Exclusion Amount
- Gift Tax Exemption Amount
- Noncitizen Spouse Annual Gift Exclusion
- GST Exemption
- Special Use Valuation Limit (Qualified Real Property in the Decedent's Gross Estate)

Medicare and health care planning | Pg. 7

- Medicare Part A Monthly Premium Amounts
- Medicare Part A Hospital Insurance Deductible
- Medicare Part B Monthly Premium Amounts
- Skilled Nursing Benefits
- Part B Deductible
- Part D Deductible
- Health Savings Account Limits
- Health Savings Account Minimum Deductible
- Health Savings Account Maximum Out-of-Pocket
- Long-Term Care Per Diem Limit
- Long-Term Care Premium Deduction Limits

Education planning | Pg. 8

- Interest Exclusion on EE Saving Bonds
- Coverdell Education Savings Account Phaseout
- Lifetime Learning Credit
- American Opportunity Credit
- Interest Deduction for Education Loans

Investment planning | Pg. 8

- Top Long-Term Capital Gain Rate
- Top Rate on Qualified Dividends
- Medicare Surtax on Net Investment Income

2025 Tax rate schedules

If taxable income is:		Then the gross tax payable is:		
Over	But not over	Amount	Plus (percent)	Of the amount over
SINGLE TAXPAYERS (OTHER THAN SURVIVING SPOUSES AND HEADS OF HOUSEHOLDS)				
\$0	\$11,925	\$0.00	10%	\$0
\$11,925	\$48,475	\$1,192.50	12%	\$11,925
\$48,475	\$103,350	\$5,578.50	22%	\$48,475
\$103,350	\$197,300	\$17,651.00	24%	\$103,350
\$197,300	\$250,525	\$40,199.00	32%	\$197,300
\$250,525	\$626,350	\$57,231.00	35%	\$250,525
\$626,350		\$188,769.75	37%	\$626,350
MARRIED INDIVIDUALS (AND SURVIVING SPOUSES) FILING JOINT RETURN				
\$0	\$23,850	\$0	10%	\$0
\$23,850	\$96,950	\$2,385	12%	\$23,850
\$96,950	\$206,700	\$11,157	22%	\$96,950
\$206,700	\$394,600	\$35,302	24%	\$206,700
\$394,600	\$501,050	\$80,398	32%	\$394,600
\$501,050	\$751,600	\$114,462	35%	\$501,050
\$751,600		\$202,154.50	37%	\$751,600
HEADS OF HOUSEHOLDS				
\$0	\$17,000	\$0	10%	\$0
\$17,000	\$64,850	\$1,700	12%	\$17,000
\$64,850	\$103,350	\$7,442	22%	\$64,850
\$103,350	\$197,300	\$15,912	24%	\$103,350
\$197,300	\$250,500	\$38,460	32%	\$197,300
\$250,500	\$626,350	\$55,484	35%	\$250,500
\$626,350		\$187,031.50	37%	\$626,350
MARRIED INDIVIDUALS FILING SEPARATE RETURNS				
\$0	\$11,925	\$0.00	10%	\$0
\$11,925	\$48,475	\$1,192.50	12%	\$11,925
\$48,475	\$103,350	\$5,578.50	22%	\$48,475
\$103,350	\$197,300	\$17,651.00	24%	\$103,350
\$197,300	\$250,525	\$40,199.00	32%	\$197,300
\$250,525	\$375,800	\$57,231.00	35%	\$250,525
\$375,800		\$101,077.25	37%	\$375,800
FIDUCIARY (ESTATES AND TRUSTS) TAXPAYERS				
\$0	\$3,150	\$0	10%	\$0
\$3,150	\$11,450	\$315	24%	\$3,150
\$11,450	\$15,650	\$2,307	35%	\$11,450
\$15,650		\$3,777	37%	\$15,650

Financial Planning Limits and Tax Rate Schedules

Income tax exemptions and deductions	OBBBA	2025	2024	2023
STANDARD DEDUCTIONS				
Single	\$15,750	\$15,000	\$14,600	\$13,850
Married filing jointly	\$31,500	\$30,000	\$29,200	\$27,700
Head of household	\$23,625	\$22,500	\$21,900	\$20,800
Married filing separately	\$15,750	\$15,000	\$14,600	\$13,850
ELDERLY AND BLIND DEDUCTIONS				
Single	\$2,000	\$2,000	\$1,950	\$1,850
Married	\$1,600	\$1,600	\$1,550	\$1,500
65+ Additional Deduction	\$6,000			
65+ Additional Deduction Phaseout				
Single/Head of Household	\$75,000-\$175,000			
Married Filing jointly	\$150,000-\$250,000			
KIDDIE TAX				
Amount exempt from tax		First \$1,350	First \$1,300	First \$1,250
Amount taxed at child's rate		Next \$1,350	Next \$1,300	Next \$1,250
Unearned income over \$2,700		Taxed at the parent's marginal rate	Taxed at the parent's marginal rate	Taxed at the parent's marginal rate
ADOPTION CREDIT				
Maximum credit		\$17,280	\$16,810	\$15,950
Phaseout amounts		\$259,190 - \$299,190	\$252,150 - \$292,150	\$239,230 - \$279,230
AMT EXEMPTION				
Single		\$88,100	\$85,700	\$81,300
Married filing jointly		\$137,000	\$133,300	\$126,500
AMT EXEMPTION PHASEOUT				
Single		\$626,350 - \$978,750	\$609,350 - \$952,150	\$578,150 - \$903,350
Married filing jointly		\$1,252,700 - \$1,800,700	\$1,218,700 - \$1,751,900	\$1,156,300 - \$1,662,300
CHILD TAX CREDIT				
Maximum Total Credit	\$2,200	\$2,000	\$2,000	\$2,000
Refundable portion	\$1,700	\$1,700	\$1,700	\$1,600
ORIGINAL \$2,000 CHILD TAX CREDIT PHASEOUT				
Single	\$200,000 - \$243,000	\$200,000 - \$240,000	\$200,000 - \$240,000	\$200,000 - \$240,000
Married	\$400,000 - \$443,000	\$400,000 - \$440,000	\$400,000 - \$440,000	\$400,000 - \$440,000
CREDIT FOR OTHER DEPENDENTS				
		\$500	\$500	\$500
NO-TAX ON TIPS DEDUCTION				
All filers	\$25,000			
NO-TAX ON TIPS DEDUCTION PHASEOUT				
Single/Head of Household	\$150,000- \$400,000			
Married Filing jointly	\$300,000-\$550,000			
NO-TAX ON OVERTIME DEDUCTION				
Single/Head of Household	\$12,500			
Married Filing jointly	\$25,000			
NO-TAX ON OVERTIME DEDUCTION PHASEOUT				
Single/Head of Household	\$150,000- \$275,000			
Married Filing jointly	\$300,000-\$550,000			
AUTO LOAN INTEREST DEDUCTION				
All filers for "qualified passenger vehicle loan interest"	\$10,000			
AUTO LOAN INTEREST DEDUCTION PHASEOUT				
Single/Head of Household	\$100,000-\$149,000			
Married Filing jointly	\$200,000-\$249,000			

Social Security planning	2025	2024	2023
WAGE BASE	\$176,100	\$168,600	\$160,200
FICA TAX – EMPLOYEE	7.65%	7.65%	7.65%
Social Security portion	6.20%	6.20%	6.20%
Medicare portion	1.45%	1.45%	1.45%
FICA TAX – SELF-EMPLOYED	15.30%	15.30%	15.30%
Social Security portion	12.40%	12.40%	12.40%
Medicare portion	2.90%	2.90%	2.90%
ADDITIONAL MEDICARE PAYROLL TAX	0.90%	0.90%	0.90%
Single	\$200,000	\$200,000	\$200,000
Joint	\$250,000	\$250,000	\$250,000
QUARTER OF COVERAGE	\$1,810	\$1,730	\$1,640
EARNINGS LIMITATIONS			
Under full retirement age (\$1 reduced for every \$2 earned)	\$23,400	\$22,320	\$21,240
Year of full retirement age (\$1 reduced for every \$3 earned)	\$62,160	\$59,520	\$56,520
Beginning the month of full retirement age	No limit on earnings	No limit on earnings	No limit on earnings
COST OF LIVING ADJUSTMENT	2.50%	3.20%	8.70%
MAXIMUM MONTHLY BENEFIT	\$4,018	\$3,822	\$3,627
PERCENTAGE OF SOCIAL SECURITY BENEFITS SUBJECT TO TAX			
Single filers with combined income			
less than \$25,000	0%	0%	0%
between \$25,000 - \$34,000	50%	50%	50%
over \$34,000	85%	85%	85%
Joint filers with combined income			
less than \$32,000	0%	0%	0%
between \$32,000 - \$44,000	50%	50%	50%
over \$44,000	85%	85%	85%

Retirement plan limits	2025	2024	2023
ELECTIVE DEFERRAL LIMITS			
401(k), 403(b) and 457(b) plans	\$23,500	\$23,000	\$22,500
Catch-up contribution	\$7,500	\$7,500	\$7,500
Catch-up contribution (Age 60-63 in 2025)	\$11,250		
SIMPLE IRAS			
Catch-up contribution	\$16,500	\$16,000	\$15,500
Catch-up contribution (Age 60-63 in 2025)	\$3,500	\$3,500	\$3,500
Catch-up contribution (Age 60-63 in 2025)	\$5,250		
TRADITIONAL AND ROTH IRAS CONTRIBUTION LIMITS			
Catch-up contribution	\$7,000	\$7,000	\$6,500
Catch-up contribution	\$1,000	\$1,000	\$1,000
TRADITIONAL IRA DEDUCTION PHASEOUT FOR ACTIVE PARTICIPANTS			
Single	\$79,000 - \$89,000	\$77,000 - \$87,000	\$73,000 - \$83,000
Married filing jointly	\$126,000 - \$146,000	\$123,000 - \$143,000	\$116,000 - \$136,000
Married filing separately	\$0 - \$10,000	\$0 - \$10,000	\$0 - \$10,000
Spousal IRA	\$236,000 - \$246,000	\$230,000 - \$240,000	\$218,000 - \$228,000
ROTH IRA CONTRIBUTION PHASEOUTS			
Single	\$150,000 - \$165,000	\$146,000 - \$161,000	\$138,000 - \$153,000
Married filing jointly	\$236,000 - \$246,000	\$230,000 - \$240,000	\$218,000 - \$228,000
Married filing separately	\$0 - \$10,000	\$0 - \$10,000	\$0 - \$10,000
MAXIMUM INCLUDABLE COMPENSATION			
	\$350,000	\$345,000	\$330,000
DEFINED BENEFIT LIMIT			
	\$280,000	\$275,000	\$265,000
DEFINED CONTRIBUTION LIMIT			
	\$70,000	\$69,000	\$66,000
HIGHLY COMPENSATED EMPLOYEES			
	>\$160,000	>\$155,000	> \$150,000
HIGHLY COMPENSATED EMPLOYEES ROTH CONTRIBUTIONS (408(K))			
	\$145,000		
KEY EMPLOYEE			
	>\$230,000	>\$220,000	> \$215,000
SEP MINIMUM COMPENSATION LIMIT			
	\$750	\$750	\$750
RETIREMENT SAVER'S CREDITS (MAXIMUM)			
Single	\$1,000	\$1,000	\$1,000
Married	\$2,000	\$2,000	\$2,000
RETIREMENT SAVER'S CREDIT PHASEOUT (SINGLE)			
50%	\$0 - \$23,750	\$0 - \$23,000	\$0 - \$21,750
20%	\$23,751 - \$25,500	\$23,001 - \$25,000	\$21,751 - \$23,750
10%	\$25,501 - \$39,500	\$25,001 - \$38,250	\$23,751 - \$36,500
RETIREMENT SAVER'S CREDIT PHASEOUT (MARRIED)			
50%	\$0 - \$47,000	\$0 - \$46,000	\$0 - \$43,500
20%	\$47,001 - \$51,000	\$46,001 - \$50,000	\$43,501 - \$47,500
10%	\$51,001 - \$79,000	\$50,001 - \$76,500	\$47,501 - \$73,000
QUALIFIED CHARITABLE DISTRIBUTIONS (QCD)			
	\$108,000	\$105,000	
QCD AMOUNT TO SPLIT-INTEREST ENTITY			
	\$54,000	\$53,000	
ELIGIBLE DISTRIBUTION VICTIMS OF DOMESTIC VIOLENCE			
	\$10,300	\$10,000	
QUALIFIED LONG-TERM CARE DISTRIBUTION			
	\$2,600		

Estate and gift tax planning	2025	2024	2023
ANNUAL GIFT EXCLUSION	\$19,000	\$18,000	\$17,000
ESTATE TAX APPLICABLE EXCLUSION AMOUNT	\$13,990,000	\$13,610,000	\$12,920,000
GIFT TAX EXEMPTION AMOUNT	\$13,990,000	\$13,610,000	\$12,920,000
NONCITIZEN SPOUSE ANNUAL GIFT EXCLUSION	\$190,000	\$185,000	\$175,000
GST EXEMPTION	\$13,990,000	\$13,610,000	\$12,920,000
SPECIAL USE VALUATION LIMIT (QUALIFIED REAL PROPERTY IN THE DECEDENT'S GROSS ESTATE)	\$1,420,000	\$1,390,000	\$1,310,000

Medicare and health care planning	2025	2024	2023
MEDICARE PART A MONTHLY PREMIUM AMOUNTS			
40+ quarters of coverage	\$0	\$0	\$0
30-39 quarters of coverage	\$285	\$278	\$278
< 30 quarters of coverage	\$518	\$505	\$506
MEDICARE PART A HOSPITAL INSURANCE			
First 60 days – deductible	\$1,676	\$1,632	\$1,600
Next 30 days – per day	\$419	\$408	\$400
Next 60 days – per day	\$838	\$816	\$800
MEDICARE PART B MONTHLY PREMIUM AMOUNTS	\$185 - \$628.90	\$174.70 - \$594	\$164.90 - \$560.50
SKILLED NURSING BENEFITS			
First 20 days – per day	\$0	\$0	\$0
Next 80 days – per day	\$209.50	\$204	\$200
Over 100 days – per day	All	All	All
PART B DEDUCTIBLE	\$257	\$240	\$226
PART D DEDUCTIBLE	\$590	\$545	\$505
Coverage Limit	N/A	\$5,030	\$4,660
Out-of-Pocket Threshold	\$2,000	\$8,000	\$7,400
HEALTH SAVINGS ACCOUNT LIMITS			
Individual	\$4,300	\$4,150	\$3,850
Family	\$8,550	\$8,300	\$7,750
Catch up contribution (age 55 or older)	\$1,000	\$1,000	\$1,000
HEALTH SAVINGS ACCOUNT MINIMUM DEDUCTIBLE			
Individual	\$1,650	\$1,600	\$1,500
Family	\$3,300	\$3,200	\$3,000
HEALTH SAVINGS ACCOUNT MAXIMUM OUT-OF-POCKET			
Individual	\$8,300	\$8,050	\$7,500
Family	\$16,600	\$16,100	\$15,000
LONG-TERM CARE PER DIEM LIMIT	\$420	\$410	\$420
LONG-TERM CARE PREMIUM DEDUCTION LIMITS			
Age 40 or under	\$480	\$470	\$480
Age 41-50	\$900	\$880	\$890
Age 51-60	\$1,800	\$1,760	\$1,790
Age 61-70	\$4,810	\$4,710	\$4,770
Over age 70	\$6,020	\$5,880	\$5,960

Education planning

	2025	2024	2023
INTEREST EXCLUSION ON EE SAVING BONDS			
Single phaseouts	\$99,500 - \$114,500	\$96,800 - \$111,800	\$91,850 - \$106,850
Married filing jointly phaseout	\$149,250 - \$179,250	\$145,200 - \$175,200	\$137,800 - \$167,800
COVERDELL EDUCATION SAVINGS ACCOUNT PHASEOUT			
Single phaseouts	\$95,000 - \$110,000	\$95,000 - \$110,000	\$95,000 - \$110,000
Married filing jointly phaseouts	\$190,000 - \$220,000	\$190,000 - \$220,000	\$190,000 - \$220,000
LIFETIME LEARNING CREDIT			
Maximum credit	\$2,000	\$2,000	\$2,000
Single phaseouts	\$80,000 - \$90,000	\$80,000 - \$90,000	\$80,000 - \$90,000
Married filing jointly phaseout	\$160,000 - \$180,000	\$160,000 - \$180,000	\$160,000 - \$180,000
AMERICAN OPPORTUNITY CREDIT			
Maximum credit	\$2,500	\$2,500	\$2,500
Single phaseouts	\$80,000 - \$90,000	\$80,000 - \$90,000	\$80,000 - \$90,000
Married filing jointly phaseout	\$160,000 - \$180,000	\$160,000 - \$180,000	\$160,000 - \$180,000
INTEREST DEDUCTION FOR EDUCATION LOANS			
Maximum deduction	\$2,500	\$2,500	\$2,500
Single phaseouts	\$85,000 - \$100,000	\$75,000 - \$90,000	\$75,000 - \$90,000
Married filing jointly phaseout	\$170,000 - \$200,000	\$155,000 - \$185,000	\$155,000 - \$185,000

Investment planning

	2025	2024	2023
TOP LONG-TERM CAPITAL GAIN RATE	20%	20%	20%
TOP RATE ON QUALIFIED DIVIDENDS	20%	20%	20%
MEDICARE SURTAX ON NET INVESTMENT INCOME	3.80%	3.80%	3.80%
Single taxpayers	\$200,000	\$200,000	\$200,000
Married taxpayers	\$250,000	\$250,000	\$250,000
Estates and trusts	\$15,650	\$15,200	\$14,450

Source: www.irs.gov

FOR MORE INFORMATION, PLEASE VISIT JANUSHENDERSON.COM

Janus Henderson
INVESTORS

This is for information purposes only. Janus Henderson does not guarantee that the information supplied is accurate, complete or timely, or make any warranties with regards to the results obtained from its use.

Tax information contained herein is not intended or written to be used, and it cannot be used by taxpayers for the purposes of avoiding penalties that may be imposed on taxpayers. Such tax information and any estate planning information is general in nature, is provided for informational and educational purposes only, and should not be construed as legal or tax advice.

Janus Henderson is a trademark of Janus Henderson Group plc or one of its subsidiaries. © Janus Henderson Group plc.