



2025
**TAX
GUIDE**

FEDERAL INCOME TAX, STANDARD DEDUCTIONS

| OVER | BUT NOT OVER | TAX + | % ON EXCESS | OF THE AMOUNT OVER |
|---|--|--------------|-------------|--------------------|
| SINGLE FILERS | | | | |
| \$0 | \$11,925 | \$0 | 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 FILING JOINTLY & SURVIVING SPOUSES | | | | |
| \$0 | \$23,850 | \$0 | 10% | \$0 |
| \$23,850 | \$96,950 | \$2,385.00 | 12% | \$23,850 |
| \$96,950 | \$206,700 | \$11,157.00 | 22% | \$96,950 |
| \$206,700 | \$394,600 | \$35,302.00 | 24% | \$206,700 |
| \$394,600 | \$501,050 | \$80,398.00 | 32% | \$394,600 |
| \$501,050 | \$751,600 | \$114,462.00 | 35% | \$501,050 |
| \$751,600 | ----- | \$202,154.50 | 37% | \$751,600 |
| HEAD OF HOUSEHOLD | | | | |
| \$0 | \$17,000 | \$0 | 10% | \$0 |
| \$17,000 | \$64,850 | \$1,700.00 | 12% | \$17,000 |
| \$64,850 | \$103,350 | \$7,442.00 | 22% | \$64,850 |
| \$103,350 | \$197,300 | \$15,912.00 | 24% | \$103,350 |
| \$197,300 | \$250,500 | \$38,460.00 | 32% | \$197,300 |
| \$250,500 | \$626,350 | \$55,484.00 | 35% | \$250,500 |
| \$626,350 | ----- | \$187,031.50 | 37% | \$626,350 |
| MARRIED FILING SEPARATELY | | | | |
| \$0 | \$11,925 | \$0 | 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 |
| TRUSTS & ESTATES | | | | |
| \$0 | \$3,150 | \$0 | 10% | \$0 |
| \$3,150 | \$11,450 | \$315.00 | 24% | \$3,150 |
| \$11,450 | \$15,650 | \$2,307.00 | 35% | \$11,450 |
| \$15,650 | ----- | \$3,777.00 | 37% | \$15,650 |
| TAXES FOR GIFTS & ESTATES | | | | |
| | 2025 | 2024 | | |
| Annual Gift Tax Exclusion | \$19,000 | \$18,000 | | |
| Annual Gift Tax Exclusion for a Noncitizen Spouse | \$190,000 | \$185,000 | | |
| Lifetime Gift Tax Basic Exclusion Amount | \$13,990,000 | \$13,610,000 | | |
| Top Gift Tax Rate | 40% | 40% | | |
| STATES WITH ESTATE & INHERITANCE TAX | | | | |
| States with State Estate Tax | CT, DC, HI, IL, MA, MD, ME, MN, NY, OR, RI, VT, WA | | | |
| States with Inheritance Tax | IA, KY, NE, PA, NJ, MD | | | |
| Community Property State | AK*, AZ, CA, ID, LA, NM, NV, TX, WA, WI * Opt-in community property state | | | |
| STANDARD DEDUCTIONS | | | | |
| | 2025 | 2024 | | |
| Single / Married Filing Separately | \$15,000 | \$14,600 | | |
| Married Filing Jointly | \$30,000 | \$29,200 | | |
| Head of Household | \$22,500 | \$21,900 | | |
| Additional Deduction for Blind or Aged 65 or Older | | | | |
| Single | \$2,000 | \$1,950 | | |
| Married or Qualifying Widow(er) | \$1,600 | \$1,550 | | |

RETIREMENT PLANS & MEDICARE PREMIUM

| IRA & ROTH IRA ANNUAL CONTRIBUTION LIMIT | | |
|---|-----------------------|---------------------|
| | 2025 | 2024 |
| Contribution Limit | \$7,000 | \$7,000 |
| 50+ Catch-up | \$1,000 | \$1,000 |
| TRADITIONAL IRA DEDUCTIBILITY PHASE-OUT BASED ON MAGI | | |
| <i>Participants in Employers Plans</i> | | |
| | 2025 | 2024 |
| Single or Head of Household | \$79,000-\$89,000 | \$77,000-\$87,000 |
| Married Filing Jointly or Qualifying Widow(er) | \$126,000-\$146,000 | \$123,000-\$143,000 |
| Nonparticipant Married to Participant & Filing Jointly | \$236,000-\$246,000 | \$230,000-\$240,000 |
| Married Filing Separately | \$0 - \$10,000 | \$0 - \$10,000 |
| ROTH IRA PHASE-OUT BASED ON MAGI | | |
| | 2025 | 2024 |
| Married Filing Jointly or Qualifying Widow(er) | \$236,000-\$246,000 | \$230,000-\$240,000 |
| Single or Head of Household, or Married Filing Separately and Lived Apart from Spouse | \$150,000-\$165,000 | \$146,000-\$161,000 |
| Married Filing Separately and Lived w/ Spouse | \$0 - \$10,000 | \$0 - \$10,000 |
| QUALIFIED PLANS | | |
| | 2025 | 2024 |
| 401(k), 403(b), 457(b) Salary Deferral ¹ | \$23,500 | \$23,000 |
| Plus: 50+ Catch-up | \$7,500 | \$7,500 |
| Plus: 60-63 Catch-up | \$11,250 | ----- |
| SIMPLE IRA Salary Deferral | \$16,000 | \$16,000 |
| Plus: 50+ Catch-up | \$3,500 | \$3,500 |
| Plus: 60-63 Catch-up | \$11,250 | ----- |
| Maximum Annual Additions in a Defined Contribution Plan | \$70,000 | \$69,000 |
| Maximum Annual Benefit in a Defined Benefit Plan | \$280,000 | \$275,000 |
| Maximum Compensation Considered | \$350,000 | \$345,000 |
| Highly Compensated Employee | \$160,000 | \$155,000 |
| Key Employee - Officer | \$230,000 | \$220,000 |
| ¹ Special catch-up rules applies to certain 403(b) contributors with 15 or more years of service and governmental 457(b) participants in the last 3 years before retirement. | | |
| SEP IRA CONTRIBUTION LIMITS | | |
| | 2025 | 2024 |
| Maximum SEP IRA Contribution | \$70,000 | \$69,000 |
| Maximum SEP IRA Compensation | \$350,000 | \$345,000 |
| MEDICARE PART B PREMIUMS | | |
| Individual Return | Joint Return | Mo. Pymt |
| \$106,000 or less | \$212,000 or less | \$185.00 |
| 106,001 - \$133,000 | 212,001 - \$266,000 | \$259.00 |
| 133,001 - \$167,000 | 266,001 - \$334,000 | \$370.00 |
| 167,001 - \$200,000 | 334,001 - \$400,000 | \$480.90 |
| 200,001 - \$499,999 | 400,001 - \$749,999 | \$591.90 |
| \$500,000 or over | \$750,000 or over | \$628.90 |
| Married Filing Separately | \$0 - \$106,000 | \$185.00 |
| Married Filing Separately | \$106,001 - \$394,000 | \$591.90 |
| Married Filing Separately | \$394,000+ | \$628.90 |

EDUCATION & HEALTH DEDUCTIONS, BUSINESS TAXES

| 529 PLAN CONTRIBUTIONS | |
|--|-----------|
| 529 Plan Contributions per Individual | \$19,000 |
| 529 Plan Contributions per Couple | \$38,000 |
| Accelerate 5 years of gifting into 1 year per individual | \$95,000 |
| Per Couple | \$190,000 |

| STUDENT LOAN INTEREST | |
|-----------------------|-----------------------|
| | Phase-Out |
| Joint Return | \$170,000 - \$200,000 |
| Single Return | \$85,000 - \$100,000 |

The maximum deduction for student loan interest is \$2,500.

| HEALTH SAVINGS ACCOUNTS (CONTRIBUTION LIMITS) | | |
|---|---------|---------|
| | 2025 | 2024 |
| Single | \$4,300 | \$4,150 |
| Family | \$8,550 | \$8,300 |
| 55+ Catch-up | \$1,000 | \$1,000 |

| BUSINESS INCOME TAXES | |
|--|-----------------------------------|
| C Corporations | |
| Taxable Net Income | 21% Tax Rate |
| S Corporations & LLCs | |
| Taxable K-1 Pass-Through Income to Shareholders | Individual Tax Rates 10% - 37% |
| <ul style="list-style-type: none"> "Qualified Business Income" is eligible for a 20% K-1 deduction (ie. 37% bracket 29.6% net marginal rate). Generally, Specified Service Businesses are NOT eligible for a 20% K-1 deduction unless entire taxable income (including K-1 pass-through profits) falls below certain thresholds. | |

| FICA TAX RATES | | |
|-------------------------|---------------|----------|
| | Self-Employed | Employee |
| Social Security (OASDI) | 12.40% | 6.20% |
| HI (Medicare) | 2.90% | 1.45% |
| Additional Medicare Tax | 0.90% | 0.90% |

Additional Medicare Tax of 0.9% on earned income:

| | |
|----------------------------|----------------------|
| Married - Jointly | MAGI above \$250,000 |
| Married - Separately | MAGI above \$125,000 |
| Single / Head of Household | MAGI above \$200,000 |

UNIFORM LIFETIME TABLE

| AGE | LIFE EXPECTANCY FACTOR | % ACCOUNT | AGE | LIFE EXPECTANCY FACTOR | % ACCOUNT |
|-----|------------------------|-----------|-----|------------------------|-----------|
| 73 | 26.5 | 3.77 | 87 | 14.4 | 6.94 |
| 74 | 25.5 | 3.92 | 88 | 13.7 | 7.30 |
| 75 | 24.6 | 4.07 | 89 | 12.9 | 7.75 |
| 76 | 23.7 | 4.22 | 90 | 12.2 | 8.20 |
| 77 | 22.9 | 4.37 | 91 | 11.5 | 8.70 |
| 78 | 22.0 | 4.55 | 92 | 10.8 | 9.26 |
| 79 | 21.1 | 4.74 | 93 | 10.1 | 9.90 |
| 80 | 20.2 | 4.95 | 94 | 9.5 | 10.52 |
| 81 | 19.4 | 5.15 | 95 | 8.9 | 11.24 |
| 82 | 18.5 | 5.40 | 96 | 8.4 | 11.90 |
| 83 | 17.7 | 5.65 | 97 | 7.8 | 12.82 |
| 84 | 16.8 | 5.95 | 98 | 7.3 | 13.70 |
| 85 | 16.0 | 6.25 | 99 | 6.8 | 14.71 |
| 86 | 15.2 | 6.58 | 100 | 6.4 | 15.63 |
| | | | 101 | 6.0 | 16.67 |

*SECURE 2.0 ACT increased RMD age from 72 to 73 starting January 1, 2024.

CAPITAL GAINS & SOCIAL SECURITY

| SINGLE FILERS | MARRIED FILING JOINTLY & QUALIFYING WIDOW(ER) | TAX RATE |
|--------------------|---|----------|
| \$0 - \$48,350 | \$0 - \$96,700 | 0% |
| 48,351 - \$533,400 | \$96,701 - \$600,050 | 15% |
| over \$533,400 | over \$600,050 | 20% |

| MARRIED FILING SEPARATELY | HEAD OF HOUSEHOLD | TRUSTS & ESTATES | TAX RATE |
|---------------------------|----------------------|--------------------|----------|
| \$0 - \$48,350 | \$0 - \$64,750 | \$0 - \$3,250 | 0% |
| \$48,351 - \$300,000 | \$64,751 - \$566,700 | \$3,251 - \$15,900 | 15% |
| over \$300,000 | over \$566,700 | over \$15,900 | 20% |

| MEDICARE TAX ON NET INVESTMENT INCOME | |
|--|----------------------|
| Additional 3.8% Tax on Net Investment Income | |
| Single / Head of Household | MAGI above \$200,000 |
| Married Filing Separately | MAGI above \$125,000 |
| Married Filing Jointly | MAGI above \$250,000 |
| Trusts & Estates | MAGI above \$12,500 |

| AMT EXEMPTIONS | |
|--|-----------|
| Single / Head of Household | \$88,100 |
| Married Filing Jointly & Qualifying Widow(er)s | \$137,000 |
| Married Filing Separately | \$68,500 |

Exemptions phase out beginning with alternative minimum taxable income over \$1,252,700 when Married Filing Jointly or \$626,350 for all other taxpayers. AMT ordinary income rate increases from 26% to 28% for alternative minimum taxable income over \$239,100 for all tax payers except Married Filing Separately is \$119,550.

SOCIAL SECURITY

| TAXABLE WAGE BASE | | |
|-------------------------|-----------|-----------|
| | 2025 | 2024 |
| Social Security (OASDI) | \$176,100 | \$168,600 |
| Medicare (HI only) | No Limit | No Limit |

| RETIREMENT EARNING TEST | | |
|---|-----------------------------|-----------------------------|
| | 2025 | 2024 |
| Under full retirement age: | \$23,400/yr. \$1,950/mo. | \$22,320/yr. \$1,860/mo. |
| Year reaching full retirement age: | \$62,160/yr. \$5,180/mo. | \$59,520/yr. \$4,960/mo. |

Note: One dollar in benefits will be withheld for every \$2 in earnings above the limit.
Note: Applies only to earning for months prior to attaining full retirement age. One dollar in benefits will be withheld for every \$3 in earning above the limit.

| AGE TO RECEIVE FULL BENEFITS | | |
|------------------------------|---------------------|---------------------|
| Year of Birth | Full Retirement Age | % Reduced at Age 62 |
| 1943-1954 | 66 | 25.00% |
| 1955 | 66 & 2 months | 25.83% |
| 1956 | 66 & 4 months | 26.67% |
| 1957 | 66 & 6 months | 27.50% |
| 1958 | 66 & 8 months | 28.33% |
| 1959 | 66 & 10 months | 29.17% |
| 1960 & Later | 67 | 30.00% |

| DELAYED RETIREMENT CREDITS | |
|----------------------------|-------------------------|
| Year of Birth | Yearly Rate of Increase |
| 1943 or later | 8.00% |

Accrues starting at full retirement age until you start receiving benefits or reach age 70.

| TAXABILITY OF BENEFITS (BASED ON PROVISIONAL INCOME) | | |
|--|---------------------|------------------------|
| | Individual | Married Filing Jointly |
| Not taxable | Less than \$25,000 | Less than \$32,000 |
| Up to 50% taxable | \$25,000 - \$34,000 | \$32,000 - \$44,000 |
| Up to 85% taxable | Over \$34,000 | Over \$44,000 |

Married Filing Separately, Up to 85% of benefits are taxable
Provisional Income = Adjusted Gross Income + Nontaxable Income + 1/2 Social Security Benefits.

DEDUCTIONS, CREDITS, & EDUCATION

DEDUCTION FOR STATE & LOCAL TAXES

Individuals may deduct state and local income (or sales) taxes and real and personal property taxes up to \$10,000 (\$5,000 if married/filing separately) in the aggregate.

CHILD TAX CREDIT

- \$2,000 per “qualifying child” (who has not attained age 17 during the year); phased out as modified AGI exceeds \$400,000 (married/filing jointly) or \$200,000 (all other); \$1,700 per child is refundable.
- \$500 nonrefundable credit for qualified dependents other than qualifying children (with some modified AGI phaseouts).

KIDDIE TAX

The first \$1,350 is not taxed, the next \$1,350 is taxed at child’s bracket, amount above the total \$2,700 taxed at child’s parents rates. Earned income is taxed at single tax bracket rates.

DEDUCTION FOR MORTGAGE INTEREST

- Deduction on interest for qualifying mortgages up to \$750,000 (\$375,000 if married/filing separately); homes under agreement before 12/15/17 for purchase prior to 1/1/18 (provided purchase occurred by 4/1/18) grandfathered under previous \$1,000,000 (\$500,000 if married/filing separately) limits.
- Interest on home equity lines of credit (HELOC) deductible in certain cases where proceeds are utilized to acquire or improve a residence.

HIGH DEDUCTIBLE HEALTH PLANS

| | |
|--------------------------------|----------|
| Minimum Deductible - Single | \$1,650 |
| Minimum Deductible - Family | \$3,300 |
| Maximum Out of Pocket - Single | \$8,300 |
| Maximum Out of Pocket - Family | \$16,600 |

AMERICAN OPPORTUNITY TAX CREDIT

| | |
|--------------------|-----------------------|
| Maximum Credit | \$2,500 |
| Phase-Out - Single | \$80,000 - \$90,000 |
| Phase-Out - Joint | \$160,000 - \$180,000 |

COVERDELL EDUCATION SAVINGS ACCOUNT

| | |
|--------------------|-----------------------|
| Contribution | \$2,000 |
| Phase-Out - Single | \$95,000 - \$110,000 |
| Phase-Out - Joint | \$190,000 - \$220,000 |

LIFETIME LEARNING CREDIT

| | |
|--------------------|-----------------------|
| Maximum Credit | \$2,000 |
| Phase-Out - Single | \$80,000 - \$90,000 |
| Phase-Out - Joint | \$160,000 - \$180,000 |

DEDUCTIONS FOR PUBLIC CHARITABLE CONTRIBUTIONS

| TYPE OF PROPERTY CONTRIBUTED | VALUE | PERCENTAGE LIMITATION ¹ |
|---|----------------------|------------------------------------|
| Cash | Actual dollar amount | 60% |
| Appreciated ordinary income property or appreciated short-term capital gain property ³ | Donor’s tax basis | 50% |
| Appreciated long-term capital gain property ⁴ | | |
| (a) General rule | Fair market value | 30% |
| (b) Election made to reduce amount of contribution | Donor’s tax basis | 50% |
| (c) Tangible personal property put to unrelated use by donee charity | Donor’s tax basis | 50% |

- 1) The applicable “percentage limitation” applies to the donor’s contribution base, which is the donor’s adjusted gross income (AGI) determined without regard to any net operating loss carry back. The limitation is applied on an annual basis. Any deductible contributions that exceed the current year’s limitations may be carried over and deducted in the five succeeding tax years, subject to the percentage limitations in those years.
- 2) “Ordinary income property” property that would produce ordinary income if sold by the individual.
- 3) “Short-term capital gain property” property that would produce a short-term capital gain if sold by the individual.
- 4) “Long-term capital gain property” property that would produce a long-term capital gain if sold by the individual.

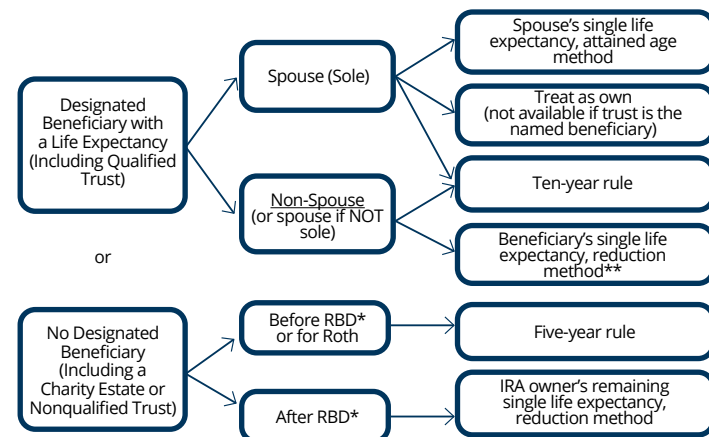
DEDUCTION FOR LONG-TERM CARE INSURANCE PREMIUMS

| Age | 40 or Less | 41 - 50 | 51 - 60 | 61 - 70 | Over 70 |
|-----|------------|---------|---------|---------|---------|
| | \$480 | \$900 | \$1,800 | \$4,810 | \$6,020 |

QUALIFIED LONGEVITY ANNUITY

Maximum Premium Allowed \$210,000

IRA BENEFICIARY OPTIONS



*RBD defined as “Required Beginning Date” (April 1 following the year a Traditional IRA owner reaches age 73).

**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.



Contact Information

Shannon Davis, CRC®, NSSA®, Financial Advisor
sdavis@retirementplanadvisors.com

Phil Holstrom, MBA, Financial Advisor
pholstrom@retirementplanadvisors.com

Edward S. Kindler III, Financial Advisor
ekindler@retirementplanadvisors.com

The “2025 Tax Guide” is a summary in nature and is current and accurate as of 01/01/2025. Users of this guide are advised to refer to the complete legislation or other applicable materials to ensure accuracy and comprehensive coverage of the material. Further, changes to legislation or administration actions that become effective after this date may make the information provided in this guide no longer current. This guide is provided to you for informational purposes only and should not be relied upon as legal or tax advice. Consult your legal or tax advisor for specific advice. While the publisher has been diligent in attempting to provide accurate information, the accuracy of the information cannot be guaranteed. Accordingly, neither the publisher nor any of its licensees or their distributees shall be liable for any loss or damage caused or alleged to have been caused by the use of or reliance upon this document. Sources: IRS Rev. Proc. 2021-25 & 45, IRS Notice 2022-55, IRS Pub. 590-B, SSA.gov., IRS.gov.

Securities offered through Cambridge Investment Research, Inc., a Broker/Dealer, Member FINRA/SIPC. Investment Advisory Services offered through Retirement Plan Advisors, LLC, a Federally Registered Investment Adviser. Cambridge is a partial owner of Retirement Plan Advisors, LLC.