

IRAs & Qualified Plans

Contribution Limits

IRA or Roth IRA contribution limit	\$7,000
IRA or Roth IRA catch-up (age 50 or older)	\$1,000

Traditional IRA deduction phaseout

Participants in a retirement plan	
Single	\$79,000 - \$89,000
Married filing jointly	\$126,000 - \$146,000
Married filing separately	\$0 - \$10,000
Spousal IRA	\$236,000 - \$246,000

Roth IRA phaseout

Single	\$150,000 - \$165,000
Married filing jointly	\$236,000 - \$246,000

Qualified Plans

Elective deferrals to 401(k), 403(b), 457, and SARSEPs	\$23,500
Catch-up contribution (age 50+)	\$7,500
Special Catch-up contribution (age 60-63)	\$11,250
Defined contribution plan limit (Section 415(c)(1)(A))	\$70,000
Defined benefit plan limit (Section 415(b)(1)(A))	\$280,000

Simple IRA & SEP IRA

SEP IRA contribution limit	Lesser of \$70,000 or 25% of compensation
SIMPLE Plan contribution limit	\$16,500
Catch-up contribution (age 50+)	\$3,500
Special Catch-up contribution (age 60-63)	\$5,250
Maximum compensation limit for retirement plans	\$350,000
Key employee (top-heavy plans)	Above \$230,000
Highly compensated employee	\$160,000

Health Savings Account

Minimum Deductible Amount

Single	\$1,650
Family	\$3,300

Maximum Out-of-Pocket Amount

Single	\$8,300
Family	\$16,600

Contribution Limit

Single	\$4,300
Family	\$8,550
Catch-up contribution (age 55+)	\$1,000

Education

Coverdell Education Savings Accounts

Contribution limit	\$2,000
Single phaseout	\$95,000 - \$110,000
Married filing jointly phaseout	\$190,000 - \$220,000

Lifetime Learning Credit - 20% of qualified expenses

Expense limit	\$10,000
Single phaseout	\$80,000 - \$90,000
Married filing jointly phaseout	\$160,000 - \$180,000

529 Plans

Eligible for college, apprenticeship, and trade school expenses, and up to \$10,000/year for private K-12 tuition. A lifetime limit of \$10,000 each can be used to repay the student loans of the beneficiary and each of his/her siblings.

Capital Gains & Qualified Dividends

For 2025, rates are applied to taxable income levels:

Tax Rate	Single	Married Filing Jointly	Trusts & Estates
0%	\$48,350 or less	\$96,700 or less	\$3,250 or less
15%	\$48,351-\$533,400	\$96,701-\$600,050	\$3,251-\$15,900
20%	Above \$533,400	Above \$600,050	Above \$15,900

(Short-term capital gains are taxed at income tax rates)

Medicare contribution tax on investment income*: 3.8%

*Tax is applied to the lower of net investment income or modified adjusted gross income over certain thresholds (\$250,000 joint filers/\$200,000 single/\$15,200 Trusts and Estates).

Income Tax Rate Schedules

If Taxable Income Is: Then the Gross Tax Payable Is:

	Amount	Plus (%)	Of the amount over
Single Taxpayers			
\$11,925 or less	-----10% of taxable income-----		
\$11,926-\$48,475	\$1,192.50	12%	\$11,925
\$48,476-\$103,350	\$5,578.50	22%	\$48,475
\$103,351-\$197,300	\$17,651	24%	\$103,350
\$197,301-\$250,525	\$40,199	32%	\$197,300
\$250,526-\$626,350	\$57,231	35%	\$250,525
Above \$626,350	\$188,769.75	37%	\$626,350
Married Filing Jointly			
\$23,850 or less	-----10% of taxable income-----		
\$23,851-\$96,950	\$2,385	12%	\$23,850
\$96,951-\$206,700	\$11,157	22%	\$96,950
\$206,701-\$394,600	\$35,302	24%	\$206,700
\$394,601-\$501,050	\$80,398	32%	\$394,600
\$501,051-\$751,600	\$114,462	35%	\$501,050
Above \$751,600	\$202,154.50	37%	\$751,600

The income tax brackets for Married Filing Separately are half of the amounts for Married Filing Jointly. The brackets for Heads of Households generally fall between the brackets for single and joint filers.

Trusts & Estates

\$3,150 or less	-----10% of taxable income-----		
\$3,151-\$11,450	\$315	24%	\$3,150
\$11,451-\$15,650	\$2,307	35%	\$11,450
Above \$15,650	\$3,777	37%	\$15,650

Kiddie tax: In 2025, the parent's marginal tax rate is used for a dependent child's unearned income over their deduction amount.

Income Tax Deductions and Credits

Single	\$15,000
Married filing jointly	\$30,000
Head of household	\$22,500
Married filing separately	\$15,000

Child Tax Credit

Qualifying Child (Children under age 17)	\$2,000
Dependents not eligible for Qualifying Child	\$500
Single phase out begins at	\$200,000
Married filing jointly phase out begins at	\$400,000

Elderly (over age 65) or blind additional deduction

Single	\$2,000
Married	\$1,600

2025 Tax Reference Guide

Estate & Gift Tax

Individual estate tax exclusion (Federal) (Any unused amount can transfer to a surviving spouse)	\$13,990,000
Maximum estate tax rate	40%
Gift tax exclusion	\$13,990,000
Generation-skipping exclusion	\$13,990,000
Annual gift tax exclusion (per recipient)	\$19,000
Lump sum accelerated gift to a 529 plan (5-year rule)	\$95,000
Qualified Charitable Distribution	\$108,000

States with an estate tax and/or inheritance tax: CT, DC, HI, IA, IL, KY, MA, MD, ME, MN, NE, NJ, NY, OR, PA, RI, VT, and WA

Alternative Minimum Tax (AMT)

Status	Exemption	Phaseout
Single	\$88,100	\$626,350
Married filing jointly	\$137,000	\$1,252,700

Alternative Minimum Tax Rates

26% up to \$239,100 of AMT base
28% over \$239,100 of AMT base

Social Security

Social Security wage base	\$176,100
Social Security cost-of-living adjustment	2.5%
Quarter of coverage (earnings for Social Security)	\$1,810
Maximum benefit (worker retiring at FRA)	\$4,018
Estimated average monthly benefit	\$1,976

Social Security benefits are reduced if someone receives benefits and continues to work. The benefit is reduced \$1 for every \$2 or \$3 earned above \$23,400 (\$1,950/mo) in years prior to FRA and \$62,160 (\$5,180/mo) in the year FRA is reached, respectively. There is no reduction at FRA.

Businesses/Business Owners

For 2025, net business income is taxed at the following rates:

Corporations (C-Corps and similarly treated LLCs)

Corporate income tax rate:	21%**
Accumulated Earnings tax rate (plus interest):	20%*

Dividends paid to shareholders are taxable to them at ordinary income or capital gains tax rate(s), depending on the type of dividend.
 *On retained earnings in excess of \$250,000 (\$150,000 for personal service corps.), except if to meet reasonable business needs.
 **Large corporations (income >\$1Billion) subject to new CAMT rate of 15%.

Pass Through Entities

(Sole Props, Partnerships, S-Corps, and similarly treated LLCs)

Net business income is reported by the owner(s) and is taxed at his/her tax rates

Self-Employment Tax on wages, tips and net earnings	
Medicare Tax (on total amount)*:	2.9%
Social Security Tax (on the first \$176,100):	12.4%
Deduction for qualified business income**:	20.0%

*An Additional Medicare Tax of 0.9% is applied to amounts over certain thresholds (\$250,000 joint filers/\$200,000 single filer).

**The deduction is limited to the lesser of 20% of QBI or 20% of the owner's taxable income. Subject to phase out depending on the type of services provided if income is over \$394,600 (joint) or \$197,300 (single) as of 2025.



Subscribe to our website to receive updates on the progress of proposed legislation changes, including if any are likely to apply retroactively for all of 2025.

Important Dates & Deadlines

Deadlines for Traditional IRAs, Roth IRAs, and SEP IRAs

2024 Contributions	April 15, 2025
2025 Contributions	April 15, 2026
2025 Roth IRA Conversions	December 31, 2025

Required Minimum Distributions (RMDs)

New RMD age of 73 applies to all individuals as of 2023

Age of IRA holder:	First RMD Deadline:
Turned 73 in 2025	April 1, 2026*

*Subsequent RMDs must be taken by December 31 of each year.

2024 Tax Form Mailing Deadlines for Custodians

Form 1099-R (Retirement Account Distributions)	January 31, 2025
Consolidated Form 1099s (Taxable Accounts)	February 18, 2025*

*Extended deadline for accounts holding certain securities (REITs, WHFITs, CMOs) March 17, 2025

Form 5498 (Retirement Account Contributions)	June 2, 2025
--	--------------

2025 Estimated Tax Payments

For the period	Due date
January 1 - March 31	April 15, 2025
April 1 - May 31	June 16, 2025
June 1 - August 31	September 15, 2025
September 1 - December 31	January 15, 2026

Tax Cuts and Jobs Act (TCJA) Sunset and Tax Agenda for 2025

The TCJA of 2017 was one of the most significant tax overhauls in decades. It aimed to simplify the tax code, reduce corporate and individual tax rates, and encourage economic growth. The TCJA is scheduled to sunset at the end of 2025. While some provisions are expected to be extended, 2025 legislation will shape the future of the U.S. tax environment for years to come.

Key provisions set to sunset include:

- Tax Brackets: scheduled to increase for individuals for every marginal bracket
- Standard Deduction: will cut in half, reverting to 2017 levels and reintroducing personal exemptions
- Child Tax Credit: scheduled to cut in half down to \$1,000
- Estate Exemption: scheduled to cut in half to approx. \$7M/person
- Qualified Business Income deduction: scheduled to sunset completely
- Salt Deduction: currently capped at \$10,000 but may become unlimited
- Pease Limitations on itemized deductions: eliminated under TCJA but may be reintroduced
- Alternative Minimum Tax Thresholds: set to be lowered, reverting back to 2017 phase in levels

IRS and Treasury Final IRA Regulation Updates (July 2024)

- Beneficiaries inheriting retirement accounts subject to the 10-year rule will also be subject to annual RMDs during the 10 years if the account owner had reached their Required Beginning Date (RBD) prior to death
- Beneficiaries inheriting any retirement account that is 100% Roth (after-tax) at the time of the owner's death will not be subject to RMDs

Planning Consideration:

- Ensure any Roth (after-tax) balances in employer retirement plans (401(k), 403(b), etc.) are rolled into a Roth IRA prior to death

Secure Act 2.0: Major Provisions and Changes Going into Effect

- RMD starting age is now 73 and will increase to 75 in 2033
- The 50% penalty for a missed RMD is reduced to 25%, or 10% if fixed in a timely manner
- Employers may add a Roth option to SEPs and SIMPLE IRAs
- 529 Plans open for 15+ years can be rolled into a Roth IRA. Subject to annual IRA contribution limits and a lifetime max of \$35,000
- Plan start-up costs credit increased from 50% to 100% for employers with less than 50 employees with a phased-out credit for 51-100 employees
- 2025 starts a 10% bonus contribution system for employers who give more than the 2% required compensation match for Simple IRAs. This would increase the 2025 contribution amounts to \$17,600 with an increased catch-up contribution of \$3,850 for those 50+