



Nicole Maholtz

President & CEO

P O Box 3

Cooksburgh, PA 16217-0003

(803) 781-9595 opt 1

Nicole@brentmark.com

www.brentmark.com

2021 Limits for Traditional IRAs, Roth IRAs, Employer Retirement Accounts and ESAs

| Limits for IRAs and Other Retirement Plans | | |
|--|-----------------------|----------------------|
| Contribution Limits if you are under age 50 at year-end | | |
| Traditional IRA and/or Roth IRA | \$6,000 | |
| 401(k), 403(b), TSP salary deferral | \$19,500 | |
| Governmental 457(b) plans salary deferral | \$19,500 | |
| SIMPLE IRA salary deferral | \$13,500 | |
| SIMPLE 401(k) salary deferral | \$13,500 | |
| Defined Contribution plans and SEP IRAs | \$58,000 | |
| Defined Benefit plans limitation on the annual benefit | \$230,000 | |
| Catch-up contribution if you are at least age 50 at year end | | |
| Traditional IRA and/or Roth IRA | \$1,000 | |
| 401(k), 403(b), TSP | \$6,500 | |
| 457(b) plans | \$6,500 | |
| SIMPLE IRA | \$3,000 | |
| SIMPLE 401(k) | \$3,000 | |
| Other Limits for Retirement Plans | | |
| IRA bankruptcy exemption | \$1,362,800 | |
| Compensation cap | \$290,000 | |
| Minimum SEP Compensation | \$650 | |
| Dollar limitation for defining HCE | \$130,000 | |
| Dollar limitation for defining a key employee | \$185,000 | |
| Maximum ESOP amount under 409(o)(1)(C)(ii) | \$1,165,000 | |
| ESOP dollar limit for lengthening 5-year period | \$230,000 | |
| Compensation limit for governmental plans | \$430,000 | |
| Education Savings Account Limits | | |
| Contribution limit | \$2,000 | |
| Filing Status | MAGI | Allowed Contribution |
| Single | \$95,000 or less | 100% |
| | \$95,000 - \$110,000 | Partial |
| | \$110,000 or more | None |
| Married Filing Jointly | \$190,000 or less | 100% |
| | \$190,000 - \$220,000 | Partial |
| | \$220,000 or more | None |

| MAGI limits for deducting contributions to Traditional IRAs | | | | | | |
|---|----------------------------------|----------|----------------------------|----------|--------------------------|----------|
| Tax Filing Status | MAGI | | Allowed deduction | | | |
| Single or Head of Household and covered under an employer sponsored retirement plan | \$66,000 or less | | 100% | | | |
| | \$66,000 to \$76,000 | | Partial | | | |
| | \$76,000 or more | | None | | | |
| Married filing jointly or a qualifying widower, and covered under an employer sponsored retirement plan | \$105,000 or less | | 100% | | | |
| | \$105,000 to \$125,000 | | Partial | | | |
| | \$125,000 or more | | None | | | |
| Married filing jointly. Not covered under an employer sponsored retirement plan, but spouse is covered | \$198,000 or less | | 100% | | | |
| | \$198,000 to \$208,000 | | Partial | | | |
| | \$208,000 or more | | None | | | |
| Married filing separately and covered under an employer sponsored retirement plan | Less than \$10,000 | | Partial | | | |
| | \$10,000 or more | | None | | | |
| MAGI limits for contributing to a Roth IRA | | | | | | |
| Tax Filing Status | MAGI | | Allowed contribution | | | |
| Single | \$125,000 or less | | 100% | | | |
| | \$125,000 to \$140,000 | | Partial | | | |
| | \$140,000 or more | | None | | | |
| Married filing jointly | \$198,000 or less | | 100% | | | |
| | \$198,000 to \$208,000 | | Partial | | | |
| | \$208,000 or more | | None | | | |
| Married filing separately | Less than \$10,000 | | Partial | | | |
| | \$10,000 or more | | None | | | |
| AGI limits for eligibility for savers credit :salary deferral and IRA/Roth IRA contributions | | | | | | |
| Credit Rate | Married and files a joint return | | Files as head of household | | Other category of filers | |
| | Over | Not Over | Over | Not Over | Over | Not Over |
| 50% | \$0.00 | \$39,500 | \$0.00 | \$29,625 | \$0.00 | \$19,750 |
| 20% | \$39,500 | \$43,000 | \$29,625 | \$32,250 | \$19,750 | \$21,500 |
| 10% | \$43,000 | \$66,000 | \$32,250 | \$49,500 | \$21,500 | \$33,000 |
| 0% | \$66,000 | | \$49,500 | | \$33,000 | |

| 2021 Estate, Gift & Kiddie Tax Limits | |
|--|------------------------|
| Kiddie tax / requirement for the parental election | > \$1,100 / < \$11,000 |
| Annual exclusion for gifts | \$15,000 |
| Foreign earned income exclusion | \$108,700 |
| Unified Credit Against Estate Tax-Basic exclusion amount | \$11,700,000 |
| Valuation of Qualified Real Property in Decedent's Gross Estate. | \$1,190,000 |
| Maximum GST tax rate | 40 percent |

Uniform Lifetime Table

- This table is used to determine the life expectancy (or distribution period) for owners of IRAs and accounts under defined contribution plans, such as a 401(k) plan, 403(b)s, and 457(b)s.
- If your spouse is your sole primary beneficiary of your account and is more than 10-years younger than you, your life expectancy can be determined under the joint life expectancy table, instead of this Uniform Lifetime Table.

| Your Age | Your Distribution Period | Your Age | Your Distribution Period |
|----------|--------------------------|----------|--------------------------|
| 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 |

Please contact our office with questions about these and other rules that apply to IRAs and other retirement accounts.

Age Related Rules for Your Retirement Account

Age 50: You can make catch-up contributions to retirement accounts

Age 55: Your distributions from non-IRAs after you separate from service with the employer of the retirement plan are penalty-free if you separate from service in the year you reach age-55 or later

Age 59 ½: Distributions taken from your retirement accounts before age 59 ½ are subject to a 10% early distribution penalty, unless an exception applies. The following are some of the exceptions.

| Exceptions | For Traditional IRAs | For Roth IRAs | For Qualified plans 403(b) 457(b) |
|---|----------------------|---------------|---------------------------------------|
| Death | Y | Y | Y |
| Disability | Y | Y | Y |
| Basis | Y | Y | Y |
| Qualifying Birth/Adoption | Y | Y | Y |
| IRS Levy | Y | Y | Y |
| Qualified reservist distribution | Y | Y | Y |
| Unreimbursed medical expenses | Y | Y | Y |
| 72(t) Payments | Y | Y | Y |
| First-time Homebuyer | Y | Y | N |
| Roth conversion | Y | N/A | Y |
| Higher education Expenses | Y | Y | N |
| Health Insurance Premiums | Y | Y | N |
| QDRO | N | N | Y |
| Qualified distribution from a Roth IRA, Roth 401(k)/403(b)/457(b) | N/A | Y | Y |
| Reduced to Age 55 | N | N | Y |
| ESOP Dividend | N | N | Y |
| P.S. 58 Costs | N | N | Y |
| Certain corrective distributions of excess contributions | Y | Y | Y |

Specific requirements must be met in order for some exceptions to apply. The age 55 exception is reduced to age 50 in some cases

Age 72: You must generally begin RMDs for the year in which you reach this age. Exceptions apply