



Investments
Insurance
Total Wealth Advisors

2022 TAX SUMMARY

Tax Brackets for 2022

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

Married, Joint¹

\$0 - \$20,550	10%
\$20,551 - \$83,550	12%
\$83,551 - \$178,150	22%
\$178,151 - \$340,100	24%
\$340,101 - \$431,900	32%
\$431,901 - \$647,850	35%
Over \$647,850	37%
Capital gains/qualified dividends	
\$0 - \$83,350	0%
\$83,351 - \$517,200	15%
Over \$517,200	20%

Single¹

\$0 - \$10,275	10%
\$10,276 - \$41,775	12%
\$41,776 - \$89,075	22%
\$89,076 - \$170,050	24%
\$170,051 - \$215,950	32%
\$215,951 - \$539,900	35%
Over \$539,900	37%
Capital gains/qualifications dividends	
\$0 - \$41,675	0%
\$41,676 - \$459,750	15%
Over \$459,750	20%

Married, Separate¹

\$0 - \$10,275	10%
\$10,276 - \$41,775	12%
\$41,776 - \$89,075	22%
\$89,076 - \$170,050	24%
\$170,051 - \$215,950	32%
\$215,951 - \$323,925	35%
Over \$323,925	37%
Capital gains/qualifications dividends	
\$0 - \$41,675	0%
\$41,676 - \$258,600	15%
Over \$258,600	20%

Head of Household¹

\$0 - \$14,650	10%
\$14,651 - \$55,900	12%
\$55,901 - \$89,050	22%
\$89,051 - \$170,050	24%
\$170,051 - \$215,950	32%
\$215,951 - \$539,900	35%
Over \$539,900	37%
Capital gains/qualification dividends	
\$0 - \$55,800	0%
\$55,801 - \$488,500	15%
Over \$488,500	20%

Estates and Trusts¹

\$0 - \$2,750	10%
\$2,751 - \$9,850	24%
\$9,851 - \$13,450	35%
Over \$13,450	37%
Capital gains/qualification dividends	
\$0 - \$2,800	0%
\$2,801 - \$13,700	15%
Over \$13,700	20%

Corporate Tax Rate² 21%

Standard Deduction¹

Married, joint	\$25,900
Single	\$12,950
Married, separate	\$12,950
Head of Household	\$19,400
Blind or over 65: add \$1,400 if married;	
\$1,750 if single or head of household	

Child/Dependent Tax Credit^{1,2}

Child	\$2,000 per child
	up to \$1,500 refundable
Qualifying Dependent	\$500
	per dependent, nonrefundable

Mortgage Interest Deduction²

On acquisition or home improvement indebtedness up to \$750,000 incurred after 12/15/2017 for first or second home.

State and Local Tax Deduction Limit³

State and local income and property tax deduction	\$10,000
\$5,000 if married filing separately	

Alternative Minimum Tax Exemption Amount¹

Married, joint	\$118,100
Single, HOH ^a	\$75,900
Married, separate	\$59,050
Estates and Trusts	\$26,500

IRA & Pension Plan Limits⁴

IRA contribution

Under age 50	\$6,000
Age 50 and over	\$7,000

Phaseout for deducting IRA contribution⁴

Married, joint	\$109,000 - \$129,000 AGI
Single, HOH ^a	\$68,000 - \$78,000 AGI
Married, separate	\$0 - \$10,000 AGI

Phaseout for deducting spousal IRA^{b,4}

\$204,000 - \$214,000 AGI

Phaseout of Roth contribution eligibility⁴

Married, joint	\$204,000 - \$214,000 MAGI
Single, HOH ^a	\$129,000 - \$144,000 MAGI
Married, separate	\$0 - \$10,000 MAGI

SEP contribution^{4,5}

Up to 25% of compensation, limit \$61,000

Compensation to participate in SEP⁴ \$650

SIMPLE elective deferral⁴

Under age 50	\$14,000
Age 50 and over	\$17,000

401(k), 403(b)^c, 457^d and SARSEP elective deferral under age 50⁴ \$20,500

401(k), 403(b)^c, 457^d and SARSEP elective deferral age 50 and over⁴ \$27,000

Annual defined contribution limit⁴ \$61,000

Annual defined benefit limit⁴ \$245,000

Highly compensated employee⁴ \$135,000

Key employee in top-heavy plan⁴ \$200,000

Annual compensation taken into account for qualified plans⁴ \$305,000

Retirement Tax Credit⁶

A percentage tax credit for an IRA, 401(k), 403(b)^c or 457^d plan contribution, in addition to deduction or exclusion, if

Married, joint	Below \$68,000 MAGI
Head of Household	Below \$51,000 MAGI
Single, Married, separate	Below \$34,000 MAGI

Maximum qualified longevity annuity contract (QLAC) premium⁴ \$145,000

Gift and Estate Tax¹

Gift tax annual exclusion	\$16,000
Estate and gift tax rate	40%
Estate tax exemption	\$12,060,000
Lifetime gift exemption	\$12,060,000
GST exemption	\$12,060,000
Annual exclusion for gifts to noncitizen spouse	\$164,000

Additional Medicare Tax Where Income Exceeds \$200,000 (\$250,000 married, joint)⁷

Additional tax on excess of earned income ^e	0.9%
Additional tax on net investment income ^f	3.8%

Health Care

Eligible Long-Term Care Deduction Limit¹

Age 40 or younger	\$450
Ages 41 to 50	\$850
Ages 51 to 60	\$1,690
Ages 61 to 70	\$4,510
Ages over 70	\$5,640

Per Diem Limitation for LTC Benefits¹ \$390

Affordable Care Act: The Tax Cuts and Jobs Act eliminated the individual mandate penalty.²

Key

- a. Head of household.
- b. Assumes individual or spouse also participates in an employer-sponsored retirement plan.
- c. Special increased limit may apply to certain 403(b) contributions with 15 or more years of service.
- d. In last three 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.
- e. Total employee Medicare tax is 1.45% + 0.9% = 2.35%
- f. Including interest, dividends, capital gains and annuity distributions.

2022 TAX SUMMARY

Education

Coverdell Education Savings Account ⁸	\$2,000
Coverdell contribution eligibility phaseout	
Married, joint	\$190,000 - \$220,000
All others	\$95,000 - \$110,000
Student loan interest deduction limit ¹	\$2,500
Interest deduction is phased out	
Married, joint	\$145,000 - \$175,000 MAGI
All others	\$70,000 - \$85,000 MAGI
Phaseout of Lifetime Learning Credits ^{1,9}	
Married, joint	\$160,000 - \$180,000
All others	\$80,000 - \$90,000
Tax-free savings bonds interest phaseout	
Married, joint	\$128,650 - \$158,650 MAGI
All others	\$85,800 - \$100,800 MAGI

Social Security

Maximum wage base ¹⁰	\$147,000
Amount needed to earn one credit ^{10,11}	\$1,510
Amount needed to earn four credits ¹¹	\$6,040
Social Security Tax Rates ¹⁰	
Employee	7.65%
Employer	7.65%
Self-Employed	15.30%
Maximum monthly retirement ¹⁰	
Benefit at full retirement age	\$3,345
Cost of Living Adjustment	5.9%

Income (in retirement) causing Social Security benefits to be taxable¹²

Married, joint	
Up to 50% taxable	\$32,000 MAGI
Up to 85% taxable	\$44,000 MAGI
Single	
Up to 50% taxable	\$25,000 MAGI
Up to 85% taxable	\$34,000 MAGI

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

Loss of Social Security benefits:¹⁰

In years prior to full retirement age, \$1 in benefits will be withheld for every \$2 of earnings in excess of \$19,560.

In the year of full retirement age, \$1 in benefits will be withheld for every \$3 of earnings in excess of \$51,960 (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 2020)¹³

Average monthly retirement benefit	
Men	\$1,714
Women	\$1,378
Average monthly survivor benefit	
Men	\$1,292
Women	\$1,462

Uniform Lifetime Table¹⁴

*Below table effective as of Jan. 1, 2022. Use to calculate required minimum distributions from IRAs and qualified plans **during** owner's life. Do not use this table if owner has spousal beneficiary more than 10 years younger. Instead use Joint Life Table from IRS Pub. 590.

Taxpayer's Age	% of acct.	Life Expectancy	Taxpayer's Age	% of acct.	Life Expectancy
72	3.65	27.4	94	10.53	9.5
73	3.77	26.5	95	11.24	8.9
74	3.92	25.5	96	11.90	8.4
75	4.07	24.6	97	12.82	7.8
76	4.22	23.7	98	13.70	7.3
77	4.37	22.9	99	14.71	6.8
78	4.55	22.0	100	15.63	6.4
79	4.74	21.1	101	16.67	6.0
80	4.95	20.2	102	17.86	5.6
81	5.15	19.4	103	19.23	5.2
82	5.41	18.5	104	20.41	4.9
83	5.65	17.7	105	21.74	4.6
84	5.95	16.8	106	23.26	4.3
85	6.25	16.0	107	24.39	4.1
86	6.58	15.2	108	25.64	3.9
87	6.94	14.4	109	27.03	3.7
88	7.30	13.7	110	28.57	3.5
89	7.75	12.9	111	29.41	3.4
90	8.20	12.2	112	30.30	3.3
91	8.70	11.5	113	32.26	3.1
92	9.26	10.8	114	33.33	3.0
93	9.90	10.1	115+	34.48	2.9

Sources

¹ Rev. Proc. 2021-45. <https://www.irs.gov/pub/irs-drop/rp-21-45.pdf>.

² Tax Policy Center. <https://www.taxpolicycenter.org/briefing-book>.

³ IRS. Dec 8, 2021.

<https://www.irs.gov/taxtopics/tc503#:~:text=Your%20deduction%20of%20state%20and,your%20other%20itemized%20deductions%20also>.

⁴ IR-2021-61. <https://www.irs.gov/pub/irs-drop/n-21-61.pdf>.

⁵ IRC Sec. 402 (h)(2).

⁶ IRS. Dec. 6, 2021. <https://www.irs.gov/retirement-plans/plan-participant-employee/retirement-savings-contributions-savers-credit>.

⁷ IRS. April 21, 2021. <https://www.irs.gov/individuals/net-investment-income-tax>.

⁸ Savingforcollege.com. https://www.savingforcollege.com/intro_to_esas/?esa_faq_category_id=2.

⁹ IRC Sec. 25A (c)(i).

¹⁰ Social Security Administration. <https://www.ssa.gov/news/press/factsheets/colafacts2022.pdf>.

¹¹ Social Security Administration. <https://www.ssa.gov/benefits/retirement/planner/credits.html>.

¹² IRC Sec. 86.

¹³ Social Security Administration. https://www.ssa.gov/policy/docs/chartbooks/fast_facts/2021/fast_facts21.pdf.

¹⁴ Federal Register. Nov. 12, 2020.

<https://www.federalregister.gov/documents/2020/11/12/2020-24723/updated-life-expectancy-and-distribution-period-tables-used-for-purposes-of-determining-minimum>.

Single Life Table After IRA Owner's Death¹⁴

*Below table effective as of Jan. 1, 2022. 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+.

Taxpayer's Age	% of acct.	Life Expectancy	Taxpayer's Age	% of acct.	Life Expectancy
39	2.14	46.7	63	4.08	24.5
40	2.19	45.7	64	4.22	23.7
41	2.23	44.8	65	4.37	22.9
42	2.28	43.8	66	4.55	22.0
43	2.33	42.9	67	4.72	21.2
44	2.39	41.9	68	4.90	20.4
45	2.44	41.0	69	5.10	19.6
46	2.50	40.0	70	5.32	18.8
47	2.56	39.0	71	5.56	18.0
48	2.62	38.1	72	5.81	17.2
49	2.70	37.1	73	6.10	16.4
50	2.76	36.2	74	6.41	15.6
51	2.83	35.3	75	6.76	14.8
52	2.92	34.3	76	7.09	14.1
53	2.99	33.4	77	7.52	13.3
54	3.08	32.5	78	7.94	12.6
55	3.16	31.6	79	8.40	11.9
56	3.27	30.6	80	8.93	11.2
57	3.36	29.8	81	9.52	10.5
58	3.46	28.9	82	10.10	9.9
59	3.57	28.0	83	10.75	9.3
60	3.69	27.1	84	11.49	8.7
61	3.82	26.2	85	12.35	8.1
62	3.94	25.4	86	13.16	7.6

