

2021 UPDATE

Money Talk: A Financial Guide for Women (PALS - 3)

The following changes to *Money Talk: A Financial Guide for Women*, revised in 2018, update it for 2021.

Page 109: Table IV-4
Individual Tax Rate Schedules for 2021

	Taxable Income	Marginal Tax Bracket Rate (tax due is % of taxable income)
Married Filing Jointly:	\$0 to \$19,750	10%
	19,751 to 80,250	12%
	80,251 to 171,050	22%
	171,051 to 326,600	24%
	326,601 to 414,700	32%
	414,701 to 622,050	35%
	Over \$622,050	37%
Head of Household:	\$0 to \$14,100	10%
	14,101 to 53,700	12%
	53,701 to 85,500	22%
	85,501 to 163,300	24%
	163,301 to 207,350	32%
	207,351 to 518,400	35%
	Over \$518,400	37%
Single:	\$0 to \$9,875	10%
	9,876 to 40,125	12%
	40,126 to 85,525	22%
	85,526 to 163,300	24%
	163,301 to 207,350	32%
	207,351 to 518,400	35%
	Over \$518,400	37%
Married Filing Separately:	\$0 to \$9,875	10%
	9,876 to 40,125	12%
	40,126 to 85,525	22%
	85,526 to 163,300	24%
	163,301 to 207,350	32%
	207,351 to 311,025	35%
	Over \$311,025	37%

Page 117: 2021 Social Security earnings limit is \$18,960.

Page 120: The maximum contribution to 401(k), 403(b) and 457 plans is \$19,500 (\$26,000 if age 50 and over) in 2021.

Pages 151 and 161-165: The annual gift tax exclusion for lifetime gifts remains at the 2018 level: \$15,000 per individual gift recipient. Donors can make gifts of up to \$15,000 to any number of recipients without triggering any federal gift tax (\$30,000 for gifts to an individual recipient from a couple).

Pages 160-165: The top gift and estate tax rate remains at 40%. In 2021, \$11.70 million (for individuals) and \$23.4 million (for couples) of lifetime gifts and transfers at death are exempt from gift and estate taxes. These exemption amounts are indexed for inflation. In addition, estate tax law allows the representative of a deceased spouse's estate to transfer any unused estate tax exemption amount to the surviving spouse. As a result of legislation passed in late 2019, most non-spouse beneficiaries will have to withdraw all funds from an inherited IRA within 10 years. The beginning age for taking required minimum distributions rises to 72.