PWM 2026 TAX SUMMARY

TAX BRACKETS FOR 2026[1]

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

Married, Joint	
$0 – $24,800	10%
$24,801 – $100,800	12%
$100,801 – $211,400	22%
$211,401 – $403,550	24%
$403,551 – $512,450	32%
$512,451 – $768,700	35%
Over $768,700	37%
Capital gains/qualified dividends	
$0 – $98,900	0%
$98,901 – $613,700	15%
Over $613,700	20%

Single	
$0 – $12,400	10%
$12,401 – $50,400	12%
$50,401 – $105,700	22%
$105,701 – $201,775	24%
$201,776 – $256,225	32%
$256,226 – $640,600	35%
Over $640,600	37%
Capital gains/qualified dividends	
$0 – $49,450	0%
$49,451 – $545,500	15%
Over $545,500	20%

Married, Separate	
$0 – $12,400	10%
$12,401 – $50,400	12%
$50,401 – $105,700	22%
$105,701 – $201,775	24%
$201,776 – $256,225	32%
$256,226 – $384,350	35%
Over $384,350	37%
Capital gains/qualified dividends	
$0 – $49,450	0%
$49,451 – $306,850	15%
Over $306,850	20%

Head of Household (HOH)	
$0 – $17,700	10%
$17,701 – $67,450	12%
$67,451 – $105,700	22%
$105,701 – $201,750	24%
$201,751 – $256,200	32%
$256,201 – $640,600	35%
over $640,600	37%
Capital gains/qualified dividends	
$0 – $66,200	0%
$66,201 – $579,600	15%
Over $579,600	20%

Estates and Trusts	
$0 – $3,300	10%
$3,301 – $11,700	24%
$11,701 – $16,000	35%
over $16,000	37%
Capital gains/qualified dividends	
$0 – $3,300	0%
$3,301 – $16,250	15%
Over $16,250	20%
Corporate Tax Rate	21%

STANDARD DEDUCTION[3]

Married, joint	$32,200
Single; Married, separate	$16,100
HOH	$24,150
Blind or Age 65+; Married, joint	add $1,650
Blind or Age 65+; Single or HOH	add $2,050
Deduction for Seniors[a]	
Age 65 and over	$6,000
Phaseout of Deduction for Seniors[b]	
Married, joint	$150,000 – $250,000
Single	$75,000 – $175,000

Child/Dependent Tax Credit[2, 3]	
Child	$2,200 per child up to $1,700 refundable
Qualifying Dependent	$500 per dependent nonrefundable

State and Local Tax Deduction Limit[3]	
Married, joint; Single	$40,400
Married, separate	$20,200
Deduction reduced by 30% of MAGI over $505,000 (MFJ), but not below $10,000	

IRA & PENSION PLAN LIMITS[4]

IRA Contribution	
Under age 50	$7,500
Age 50 and over, *add $1,100 catch-up*	$8,600

Phaseout for Deducting IRA Contribution[b]	
Married, joint	$129,000 – $149,000 AGI
Single; HOH	$81,000 – $91,000 AGI
Married, separate	$0 – $10,000 AGI
Spousal IRA	$242,000 – $252,000 AGI

Phaseout of Roth Contribution Eligibility	
Married, joint	$242,000 – $252,000 MAGI
Single; HOH	$153,000 – $168,000 MAGI
Married, separate	$0 – $10,000 MAGI

SEP Contribution	
Up to 25% of compensation, limit	$72,000
Compensation to participate in SEP	$800

SIMPLE Elective Deferral[c]	
Standard elective deferral	$17,000
Age 50 and over, *add $4,000 catch–up*	$21,000
Age 60, 61, 62 or 63, *add $5,250 catch–up*	$22,250

Qualified Plan Contributions	
401(k), 403(b)[d], 457[e] and SARSEP elective deferral	
Standard elective deferral	$24,500
Age 50 and over, *add $8,000 catch–up*	$32,500
Age 60, 61, 62 or 63, *add $11,250 catch–up*	$35,750
Annual defined contribution limit	$72,000
Annual defined benefit limit	$290,000
Highly compensated employee	$160,000
Key employee in top-heavy plan	$235,000
Annual compensation taken into account for qualified plans	$360,000

*For 401(k) catch-up contributions, if prior-year income exceeds $150,000, catch-up contributions must be made as Roth contributions.

Retirement Tax Credit	
A percentage tax credit for an IRA, 401(k), 403(b) or 457 plan contribution, in addition to deduction or exclusion, if:	
Married, joint	Below $80,500 MAGI
HOH	Below $60,375 MAGI
Single; Married, separate	Below $40,250 MAGI

Maximum Qualified Longevity Annuity Contract (QLAC) Premium	$210,000

ALTERNATIVE MINIMUM TAX EXEMPTION AMOUNT[1]

Married, joint	$140,200
Single; HOH	$90,100
Married, separate	$70,100
Estates and Trusts	$31,400

GIFT & ESTATE TAX[1]

Gift tax annual exclusion	$19,000
Estate and gift tax rate	40%
Estate tax exemption	$15,000,000
Lifetime gift exemption	$15,000,000
GST exemption	$15,000,000
Annual exclusion for gifts to noncitizen spouse	$194,000

ADDITIONAL MEDICARE TAX WHERE INCOME EXCEEDS $200,000 ($250,000 MARRIED, JOINT)[5]

Additional tax on excess of earned income[f]	0.9%
Additional tax on net investment income[g]	3.8%

KEY

a. Available to qualifying taxpayers in 2025-2028, whether itemizing or claiming the standard deduction.

b. Assumes individual or spouse also participates in an employer-sponsored retirement plan.

c. For a SIMPLE plan with 25 or fewer employees, the 2025 elective deferral limit for participants under age 50 is $17,600; age 50 and over catch-up is $3,850.

d. Special increased limit may apply to certain 403(b) contributions with 15 or more years of service.

e. 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.

f. Total employee Medicare tax is 1.45% + 0.9% = 2.35%

g. Including interest, dividends, capital gains and annuity distributions

HEALTH CARE

Eligible Long-Term Care Deduction Limit[1]	
Age 40 or younger	$500
Ages 41 to 50	$930
Ages 51 to 60	$1,860
Ages 61 to 70	$4,960
Over age 70	$6,200

Per Diem Limitation for LTC Benefits[1] $430

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

EDUCATION

Coverdell Education Savings Account[6]	$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	$175,000 – $205,000 MAGI
All others	$85,000 – $100,000 MAGI
Phaseout of Lifetime Learning Credits[1]	
Married, joint	$160,000 – $180,000
All others	$80,000 – $90,000
Tax-free savings bonds interest phaseout[1]	
Married, joint	$152,650 – $182,650 MAGI
All others	$101,800 – $116,800 MAGI

SOCIAL SECURITY[7]

Maximum wage base	$184,500
Amount needed to earn one credit	$1,890
Amount needed to earn four credits	$7,560
Social Security & Medicare tax rates	
Employee	7.65%
Employer	7.65%
Self-Employed	15.30%
Maximum monthly retirement	
Benefit at full retirement age	$4,152
Cost of living adjustment	2.8%

Income (in Retirement) Causing Social Security Benefits to be Taxable	
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 half of Social Security.

Earnings Limit and Benefit Reduction

In years prior to full retirement age, $1 in benefits will be withheld for every $2 of earnings in excess of $24,480.

In the year of full retirement age, $1 in benefits will be withheld for every $3 of earnings in excess of $65,160 (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 2024)[8]	
Average monthly retirement benefit	
Men	$2,181
Women	$1,731
Average monthly survivor benefit	
Men	$1,616
Women	$1,843

REQUIRED MINIMUM DISTRIBUTION (RMD) STARTING AGES[9]

Date of Birth	RMD Age
June 30, 1949 and earlier	70½
July 1, 1949 – Dec. 31, 1950	72
Jan. 1, 1951 – Dec. 31, 1959	73
Jan. 1, 1960 and after	75

* Required Beginning Date (RBD) for IRA RMDs (including SEPs and SIMPLE IRAs): April 1 of the year following the calendar year in which you reach RMD starting age as outlined above.

SOURCES

[1] Rev. Proc. 2025-32.

[2] Tax Policy Center. https://www.taxpolicycenter.org/briefing-book.

[3] H.R.1 - One Big Beautiful Bill Act.

[4] IRS Notice 2025-67.

[5] IRS. Nov. 5, 2024. https://www.irs.gov/individuals/net-investment-income-tax.

[6] Savingforcollege.com. https://www.savingforcollege.com/coverdell-esas.

[7] Fact Sheet – 2026 Social Security Changes.

[8] Fast Facts and Figures about Social Security, 2025.

[9] The Consolidated Appropriations Act of 2023.

[10] Treas. Reg. 1.401(a)9) – 9 This table was updated for regulations beginning Jan 1, 2022 under Federal Register FR Doc. 2020-24723.

UNIFORM LIFETIME TABLE[10]

The Uniform Lifetime Table is used 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 Expectancy Table from IRS Pub. 590.

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

SINGLE LIFE EXPECTANCY TABLE[10]

The Single Life Expectancy Table is used 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+.

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

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