CAPITAL ADVISORS

# 2026 Annual Limits

## RETIREMENT PLANS

| | |
|---|---|
| Elective deferrals 401(k), 403(b), 457, and SARSEPs | $24,500 |
| Catch-up contribution (age 50 or older) | $8,000 |
| Catch-up contribution (age 60, 61, 62, 63) | $11,250 |
| | |
| Defined contribution (§415(c)(1)(A)) | $72,000 |
| Defined benefit (§415(b)(1)(A)) | $290,000 |
| | |
| SIMPLE plan | $17,000 |
| SIMPLE catch-up contribution (age 50 or older) | $4,000 |
| SIMPLE catch-up contribution (age 60, 61, 62, 63) | $5,250 |
| | |
| Maximum includible compensation | $360,000 |
| Highly compensated employee | |
| Lookback to 2025 & 2026 | $160,000 |
| Key employee (top-heavy plan) | > $235,000 |
| SEP participation limit | $800 |
| | |
| IRA or Roth IRA contribution limit | $7,500 |
| IRA or Roth IRA catch-up (age 50 or older) | $1,100 |
| | |
| IRA deduction phaseout for active participants | |
| Single | $81,000-$91,000 |
| Married Filing Jointly | $129,000-$149,000 |
| Married Filing Separately | $0-$10,000 |
| Non-active participant married to active participant | $242,000-$252,000 |
| | |
| Roth IRA phaseout | |
| Single & Head of Household | $153,000-$168,000 |
| Married Filing Jointly | $242,000-$252,000 |
| Married Filing Separately | $0-$10,000 |

## SOCIAL SECURITY

| | |
|---|---|
| Social Security Wage Base | $184,500 |
| FICA Tax Rate - Employee[1] | 7.65% |
| SECA Tax Rate - Self employed | 15.3% |
| Earnings Limitation: | |
| Below FRA ($1 for $2) | $24,480 |
| Year individual reaches FRA ($1 for $3) | $65,160 |
| (Applies only to earnings for months prior to attaining FRA) | |
| Social Security cost-of-living adjustment | 2.8% |
| Maximum benefit: worker retiring at FRA | $4,152 |

## SOCIAL SECURITY FULL RETIREMENT AGE (FRA)

| Year of Birth | Social Security FRA |
|---|---|
| 1943-1954 | 66 |
| 1955 | 66 and 2 months |
| 1956 | 66 and 4 months |
| 1957 | 66 and 6 months |
| 1958 | 66 and 8 months |
| 1959 | 66 and 10 months |
| 1960 and later | 67 |

## ESTATE & GIFT TAX

| | |
|---|---|
| Annual gift exclusion | $19,000 |
| Estate & gift tax basic exclusion | $15,000,000 |
| Applicable credit amount | $5,945,800 |
| Generation skipping exemption[2] | $15,000,000 |
| Maximum estate tax rate | 40% |

## 2026 MEDICARE PART B PREMIUM RATES

| YOU PAY | | If your 2024 income was: | |
|---|---|---|---|
| Premium | PART D Surcharge | Single | Married Couple |
| $202.90 not Hold Harmless | | $109,000 or less | $218,000 or less |
| $284.10 | $14.50 | $109,001-$137,000 | $218,001-$274,000 |
| $405.80 | $37.50 | $137,001-$171,000 | $274,001-$342,000 |
| $527.50 | $60.40 | $171,001-$205,000 | $342,001-$410,000 |
| $649.20 | $83.30 | $205,001-$500,000 | $410,001-$750,000 |
| $689.90 | $91.00 | Above $500,000 | Above $750,000 |

| YOU PAY | PART D Surcharge | If you are married filed separately and your 2024 income was: |
|---|---|---|
| $202.90 | | $109,000 or less |
| $649.20 | $83.30 | $109,001-$391,000 |
| $689.90 | $91.00 | Above $391,000 |

## ADDITIONAL MEDICARE TAX

The additional Medicare tax is applied at a rate of 0.9%

| Filing Status | Threshold Amount |
|---|---|
| Married Filing Jointly (MFJ) | $250,000 |
| Married Filing Separately (MFS) | $125,000 |
| Single, Head of Household, or Qualifying Widow(er) | $200,000 |

## HEALTH SAVINGS ACCOUNT (HSA)

| | |
|---|---|
| **Minimum Deductible Amount** | |
| Single | $1,700 |
| Family | $3,400 |
| **Maximum Out-of-Pocket Amount** | |
| Single | $8,500 |
| Family | $17,000 |
| **HSA Statutory Contribution Maximum** | |
| Single | $4,400 |
| Family | $8,750 |
| Catch-up contribution (age 55 or older) | $1,000 |

## EDUCATION PHASEOUTS

| | |
|---|---|
| **EE Bonds for Education - Exclusion Phaseout** | |
| Single | $101,800-$116,800 |
| Married Filing Jointly | $152,650-$182,650 |
| **Coverdell Education Savings Accounts ($2,000 limit) Phaseout** | |
| Single | $95,000-$110,000 |
| Married Filing Jointly | $190,000-$220,000 |
| **Lifetime Learning Credit - maximum of $2,000** | |
| 20% of qualified expenses up to $10,000 | |
| Single | $80,000-$90,000 |
| Married Filing Jointly | $160,000-$180,000 |
| **American Opportunity Tax Credit - maximum of $2,500** | |
| 100% up to $2,000 of qualified expenses + 25% on next $2,000 | |
| Single | $80,000-$90,000 |
| Married Filing Jointly | $160,000-$180,000 |
| **Education Loan Interest Deduction ($2,500 limit) Phaseout** | |
| Single | $85,000-$100,000 |
| Married Filing Jointly | $175,000-$205,000 |

**FOOTNOTES:**

1. The FICA tax rate is comprised of two separate payroll taxes:
   (1) Employer portion - 6.20% for Old-Age, Survivors, & Disability Insurance (OASDI), and 1.45% for Hospital Insurance (HI)
   (2) Employee portion - 6.20% for OASDI and 1.45% for HI.
   For self-employeds, the SECA is 12.40% for OASDI and 2.90% for HI
2. A deceased spouse's unused credit amount is portable to a surviving spouse

## 2026 TAX RATE SCHEDULES

| If Taxable Income Is | | Then the Gross Tax Payable Is | | |
|---|---|---|---|---|
| Over | But Not Over | Amount | Plus (percent) | Of Amount Over |
| **SINGLE TAXPAYERS (other than surviving spouses & heads of households)** | | | | |
| $0 | $12,400 | | 10% of taxable income | |
| $12,400 | $50,400 | $1,240 | 12% | $12,400 |
| $50,400 | $105,700 | $5,800 | 22% | $50,400 |
| $105,700 | $201,775 | $17,966 | 24% | $105,700 |
| $201,775 | $256,225 | $41,024 | 32% | $201,775 |
| $256,225 | $640,600 | $58,448 | 35% | $256,225 |
| $640,600 | -- | $192,979 | 37% | $640,600 |
| **HEADS OF HOUSEHOLDS** | | | | |
| $0 | $17,700 | | 10% of taxable income | |
| $17,700 | $67,450 | $1,770 | 12% | $17,700 |
| $67,450 | $105,700 | $7,740 | 22% | $67,450 |
| $105,700 | $201,750 | $16,155 | 24% | $105,700 |
| $201,750 | $256,200 | $39,207 | 32% | $201,750 |
| $256,200 | $640,600 | $56,631 | 35% | $256,200 |
| $640,600 | -- | $191,171 | 37% | $640,600 |
| **MARRIED INDIVIDUALS (& surviving spouses) FILING JOINT RETURNS** | | | | |
| $0 | $24,800 | | 10% of taxable income | |
| $24,800 | $100,800 | $2,480 | 12% | $24,800 |
| $100,800 | $211,400 | $11,600 | 22% | $100,800 |
| $211,400 | $403,550 | $35,932 | 24% | $211,400 |
| $403,550 | $512,450 | $82,048 | 32% | $403,550 |
| $512,450 | $768,700 | $116,896 | 35% | $512,450 |
| $768,700 | -- | $206,584 | 37% | $768,700 |
| **MARRIED INDIVIDUALS FILING SEPARATE RETURNS** | | | | |
| $0 | $12,400 | | 10% of taxable income | |
| $12,400 | $50,400 | $1,240 | 12% | $12,400 |
| $50,400 | $105,700 | $5,800 | 22% | $50,400 |
| $105,700 | $201,775 | $17,966 | 24% | $105,700 |
| $201,775 | $256,225 | $41,024 | 32% | $201,775 |
| $256,225 | $384,350 | $58,448 | 35% | $256,225 |
| $384,350 | -- | $103,292 | 37% | $384,350 |
| **FIDUCIARY (estates & trusts) TAXPAYERS** | | | | |
| $0 | $3,300 | | 10% of taxable income | |
| $3,300 | $11,700 | $330 | 24% | $3,300 |
| $11,700 | $16,000 | $2,346 | 35% | $11,700 |
| $16,000 | -- | $3,851 | 37% | $16,000 |

## LTCG RATES BASED ON TAXABLE INCOME

| Filing Status | 0% | 15% | 20% |
|---|---|---|---|
| Single | up to $49,450 | $49,450-$545,500 | over $545,500 |
| Head of Household | up to $66,200 | $66,200-$579,600 | over $579,600 |
| Married Filing Jointly | up to $98,900 | $98,900-$613,700 | over $613,700 |
| Married Filing Separately | up to $49,450 | $49,450-$306,850 | over $306,850 |
| Estates & Trusts | up to $3,300 | $3,300-$16,250 | over $16,250 |

## CHARITABLE CONTRIBUTIONS – AGI LIMITS

| Contribution Type | AGI Limit | Carryforward |
|---|---|---|
| Cash to Public Charity | 60% of AGI | Up to 5 years |
| Non-Cash (e.g., appreciated stock) to Public Charity | 30% of AGI | Up to 5 years |
| Cash to Private Foundation | 30% of AGI | Up to 5 years |
| Long-Term Appreciated Property to Private Foundation | 20% of AGI | Up to 5 years |
| Qualified Charitable Distribution (IRA) | Up to $111,000 | N/A |

## COMMON ITEMIZED DEDUCTION LIMITATIONS

| | | |
|---|---|---|
| Unreimbursed Medical Expenses | 7.5% of AGI | Can deduct once expenses increase above the AGI floor |
| Charitable Itemized Deductions | 0.5% of AGI | |
| SALT Deduction | Up to $40,400 | Phaseout begins at MAGI $505,000 |

## INCOME TAX

| | |
|---|---|
| **Standard Deduction** | |
| Single | $16,100 |
| Married Filing Jointly | $32,200 |
| Head of Household | $24,150 |
| Married Filing Separately | $16,100 |
| Kiddie Tax Limited Standard Deduction | $1,350 |
| Individual eligible to be claimed as dependent - greater of $1,350 or earned income plus $450, not to exceed the standard deduction for their filing status. | |
| **Elderly or Blind Additional Deduction** | |
| Single | $2,050 |
| Married (each spouse) | $1,650 |
| **Senior Deduction (age 65+)** | |
| Per Individual | $6,000 |
| Phaseout (Single) | $75,000-$175,000 |
| Phaseout (MFJ) | $150,000-$250,000 |
| **Section 179** | |
| Maximum Election | $2,560,000 |
| Phaseout Begins | $4,090,000 |
| **Adoption Credit (refundable up to $5,120)** | |
| Maximum | $17,670 |
| Phaseout | $265,080-$305,080 |
| **Child Tax Credit** | |
| Dependent Under Age 17 | $2,200 |
| Refundable (additional child tax credit) | $1,700 |
| Other Dependents | $500 |
| Phaseout ($50 for every $1,000 over) | |
| Single | $200,000 |
| Married Filing Jointly | $400,000 |

## ALTERNATIVE MINIMUM TAX (AMT)

| Filing Status | Exemption | AMTI Phaseout |
|---|---|---|
| Single & Head of Household | $90,100 | $500,000-$680,200 |
| Married Filing Jointly | $140,200 | $1,000,000-1,280,400 |
| Married Filing Separately | $70,100 | $500,000-$640,200 |
| Trusts & Estates | $31,400 | $104,800-$167,600 |

## AMT RATES

| | | |
|---|---|---|
| MFJ, HOH, or Single - AMTI Belov | $244,500 | 26% |
| MFJ, HOH, or Single - AMTI Abov | $244,500 | 28% |
| MFS - AMTI Below | $122,250 | 26% |
| MFS - AMTI Above | $122,250 | 28% |

## NET INVESTMENT INCOME TAX

Net investment income tax is applied at a rate of 3.8%

**Individuals**

Applied to lesser of:
- net investment income, or
- excess of MAGI over following threshold amounts:

| | |
|---|---|
| MFJ or Qualifying Widow(er) | $250,000 |
| MFS | $125,000 |
| Single & Head of Household | $200,000 |

**Estates & Trusts**

Applied to lesser of:
- undistributed net investment income, or
- excess of AGI over $16,000

| | |
|---|---|
| IRC Section 1250 Depreciation Recapture | 25% |
| Collectibles | 28% |