

2021 Tax Fast Facts

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Federal income tax rates for 2021

Married filing jointly

| Taxable income | Tax rate |
|------------------------|----------|
| \$0 to \$19,900 | 10% |
| \$19,901 to \$81,050 | 12% |
| \$81,051 to \$172,750 | 22% |
| \$172,751 to \$329,850 | 24% |
| \$329,851 to \$418,850 | 32% |
| \$418,851 to \$628,300 | 35% |
| More than \$628,300 | 37% |

Single

| Taxable income | Tax rate |
|------------------------|----------|
| \$0 to \$9,950 | 10% |
| \$9,951 to \$40,525 | 12% |
| \$40,526 to \$86,375 | 22% |
| \$86,376 to \$164,925 | 24% |
| \$164,926 to \$209,425 | 32% |
| \$209,426 to \$523,600 | 35% |
| More Than \$523,600 | 37% |

Capital gain tax rates for 2021

| Asset Holding Period | Tax Bracket | | | | | | |
|----------------------|-------------------------|----------------------|-----|-----------------------|-----|-----|-----|
| | 10% | 12% | 22% | 24% | 32% | 35% | 37% |
| Short term rate | 10% | 12% | 22% | 24% | 32% | 35% | 37% |
| Long term rate | Married Filing Jointly* | | | Single* | | | |
| | 0% | \$0 to \$80,800 | | \$0 to \$40,400 | | | |
| | 15% | \$80,801 - \$501,600 | | \$40,401 to \$445,850 | | | |
| | 20% | More than \$501,600 | | More than \$445,850 | | | |

Estate and gift tax exemptions for 2021

| | |
|----------------------------------|-----------------|
| Estate tax exempt amount | \$11.7 million* |
| Gift tax exempt amount | \$11.7 million* |
| Gift tax annual exclusion amount | \$15,000* |

*Could increase due to inflation adjustment. Source: Internal Revenue Service

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IRA and retirement plan limits for 2021

The amount you can contribute to all of your Traditional and Roth IRAs combined is 100% of your taxable compensation,¹ up to a maximum of:

| | |
|----------------------------|---------|
| If you are under age 50 | \$6,000 |
| If you are age 50 or older | \$7,000 |

¹Exception for Married Filing Jointly: An employed spouse may contribute to a separate IRA on behalf of a spouse who has little or no income. The amount of the couple's combined contributions can't be more than the taxable compensation reported on their joint return. For more information, refer to Spousal IRA sections in IRA Publication 590-A.

Deductible traditional IRA phaseouts

Deductibility depends on MAGI and whether you or your spouse is covered by an employer-sponsored retirement plan. You must figure your deduction and your spouse's deduction separately. The deduction for contributions to traditional IRAs phases out over the following MAGI levels:

Covered by employer plan and:

| | |
|------------------------|---------------------|
| Single | \$66,000-\$76,000 |
| Married filing jointly | \$105,000-\$125,000 |

Not covered by employer plan and:

| | |
|--|---------------------|
| Single or married filing jointly with a spouse who also is not covered | No limit |
| Married filing jointly with a spouse who is covered | \$198,000-\$208,000 |

There is no income limit for contributions to a non-deductible traditional IRA.

Roth IRA eligibility phaseouts

Eligibility for Roth IRAs is phased out over the following MAGI levels:

Filing Status

| | |
|---------------------------|---------------------|
| Single | \$125,000-\$140,000 |
| Married filing jointly | \$198,000-\$208,000 |
| Married filing separately | \$0-\$10,000 |

Maximum retirement plan contributions

The amount you can contribute to an employer-sponsored retirement plan generally is the lesser of 100% of your salary or:

Type of Plan

| | |
|---|----------|
| 401(k) and 403(b) | \$19,500 |
| SIMPLE-IRA | \$13,500 |
| 401(k) and 403(b) Catch-up contributions ² | \$6,500 |
| SIMPLE-IRA Catch-up contributions ² | \$3,000 |

²Age 50 or older.