



2020 KEY FINANCIAL NUMBERS

(discard after 12/31/20)

RETIREMENT PLAN DEFERRAL LIMITS

PLAN	UNDER AGE 50	AGE 50 AND OVER
401(k), 403(b), SAR-SEP, 457(b), TSP ¹	\$19,500 ² (\$19,000 for 2019)	\$26,000 ² (\$25,000 for 2019)
Traditional and Roth IRAs	\$6,000 (\$6,000 for 2019)	\$7,000 (\$7,000 for 2019)
SIMPLE IRA and SIMPLE 401(k)	\$13,500 (\$13,000 for 2019)	\$16,500 (\$16,000 for 2019)

¹The limit for 401(k), 403(b), governmental 457(b), and TSP (Thrift Savings Plan) plans includes pretax and designated Roth contributions. (Roth contributions are not permitted for SAR-SEP and nongovernmental 457(b) plans.) The limit for all 457(b) plans also includes employer contributions.

²Excludes nongovernmental 457(b) plans. Individual plan limits may be lower. Plans may also allow after-tax contributions above this amount.

INCOME LIMITS FOR ROTH IRA CONTRIBUTIONS³

FILING STATUS	ELIGIBILITY
Single or Head of Household	Phased out: \$124,000–\$139,000 ⁵ (\$122,000–\$137,000 for 2019)
Married Filing Jointly or Qualifying Widow(er) ⁴	Phased out: \$196,000–\$206,000 ⁵ (\$193,000–\$203,000 for 2019)

³There are no income limits for converting Traditional IRA assets to a Roth IRA.

⁴For married taxpayers filing separately: If you did not live with your spouse at any time during the tax year, see the “single” filing status. Otherwise, your eligibility is phased out between modified adjusted gross income (MAGI) of \$0 and \$10,000.

⁵This amount refers to the taxpayer’s MAGI, which does not include amounts that were converted.

INCOME LIMITS (MAGI) FOR TRADITIONAL IRA DEDUCTIBILITY⁶

STATUS		DEDUCTIBILITY
Single or Head of Household	Not eligible to participate in an employer retirement plan	Full
	Eligible to participate in an employer retirement plan	Phased out: \$65,000–\$75,000 (\$64,000–\$74,000 for 2019)
Married Filing Jointly ⁷	Neither you nor your spouse is eligible to participate in an employer retirement plan	Full
	You are not eligible to participate in an employer retirement plan, but your spouse is eligible	Phased out: \$196,000–\$206,000 (\$193,000–\$203,000 for 2019)
	You are eligible to participate in an employer retirement plan	Phased out: \$104,000–\$124,000 (\$103,000–\$123,000 for 2019)

⁶There are no income limits for contributing to a Traditional IRA—the limits only apply to determining whether that contribution is deductible.

⁷Consult IRS rules or a tax professional if your status is married filing separately or qualifying widow(er).

HIGH-DEDUCTIBLE HEALTH PLANS (HDHPs)/HEALTH SAVINGS ACCOUNTS (HSAs)

	HSA CONTRIBUTION LIMITS	MINIMUM DEDUCTIBLES	OUT-OF-POCKET MAXIMUMS
Individuals with self-only HDHP coverage	\$3,550	\$1,400	\$6,900
Individuals with family HDHP coverage	\$7,100	\$2,800	\$13,800

ANNUAL GIFT EXCLUSION	LIFETIME GIFT AND ESTATE EXCLUSION	529 FIVE-YEAR FORWARD AVERAGING
Each individual can gift \$15,000 this year (\$15,000 for 2019) per recipient without gift tax.	Federal estate tax rate maximum is 40%. Gifts over the annual gift tax exclusion amount are counted against the \$11,580,000 ⁸ (\$11,400,000 for 2019) unified lifetime gift and estate tax exclusion amount. State estate tax rates and structures may vary.	Each individual can contribute up to \$75,000 (i.e., \$15,000 annual gift tax exclusion amount times five) per beneficiary and “average” it for gift tax exclusion over five years, making no additional gifts to that beneficiary during that time.

⁸Unused portions of predeceasing spouse’s exclusion amount may be used by surviving spouse.

(over, please)

INCOME TAX RATES

Marginal Tax Rate ⁹ (aka Tax Bracket)	TAXABLE INCOME (\$) ^{10,11}	
	Single	Married filing jointly and qualifying widow(er)s
10%	\$0–\$9,875	\$0–\$19,750
12%	\$9,876–\$40,125	\$19,751–\$80,250
22%	\$40,126–\$85,525	\$80,251–\$171,050
24%	\$85,526–\$163,300	\$171,051–\$326,600
32%	\$163,301–\$207,350	\$326,601–\$414,700
35%	\$207,351–\$518,400	\$414,701–\$622,050
37%	Over \$518,400	Over \$622,050

⁹Certain individuals may also be subject to a 3.8% net investment income tax and a 0.9% additional Medicare tax.

¹⁰Generally, adjusted gross income minus deductions. Standard deduction amounts are \$12,400 (single filers) and \$24,800 (joint filers).

¹¹Long-term capital gains/qualified dividends rate: A 0% rate applies to taxpayers with taxable income not over \$40,000 (single filers) and \$80,000 (joint filers).

A 15% rate applies to taxpayers with taxable income not over \$441,450 (single filers) and \$496,600 (joint filers). A 20% rate applies to taxpayers with taxable income above those levels. Gains on assets held for more than 1 year realized by owner sale. Assets held for 1 year or less are short-term gains subject to ordinary income tax.

SOCIAL SECURITY

FULL RETIREMENT AGE (FRA)¹² BY YEAR BORN

If you were born in:	Then your FRA is:
1943 through 1954	Your 66th birthday
1955 through 1959	Between your 66th and 67th birthdays
1960 or later	Your 67th birthday

ANNUAL RETIREMENT BENEFIT AMOUNTS¹³

Age Initiating Benefits	Maximum
62 and 1 month (smallest benefit possible)	\$27,180
66 (FRA if born in 1954, turning 66 this year)	\$36,132
70 (largest benefit possible)	\$45,480

RETIREMENT EARNINGS TEST

Before the year you reach FRA	\$18,240—\$1 of benefits is withheld temporarily ¹⁴ for every \$2 earned above this amount
In the year you reach FRA, but before the month you reach FRA	\$48,600—\$1 of benefits is withheld temporarily ¹⁴ for every \$3 earned above this amount
In the month you reach FRA and later	No limit

¹²Someone initiating retirement benefits at full retirement age receives a 100% benefit, called the primary insurance amount (PIA). A person born in 1958 initiating benefits in 2020 at age 62 and 1 month would receive roughly 72% of PIA, whereas someone initiating benefits in 2020 at age 70 would receive 132% of PIA (adjusted for inflation).

¹³Calculated based on <https://www.ssa.gov/oact/cola/examplemax.html>, assuming retirement in January 2020. Note: average annual benefit for all retired workers (not just those of certain ages or initiation dates) is \$17,162 (based on the SSA Oct. 2019 Monthly Statistical Snapshot.)

¹⁴Benefits are recalculated at FRA—to account for amounts withheld—and increased thereafter.

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