

RETIREMENT PLANS		
	2020	2019
Maximum elective deferral to 401(k) and 403(b) plans	\$19,500	\$19,000
Catch-Up Contribution Limit for 401(k) and 403(b) plans	\$6,500	\$6,000
Maximum elective deferral to SIMPLE IRAs	\$13,500	\$13,000
Catch-Up Contribution Limit for SIMPLE Retirement Plans	\$3,000	\$3,000
IRA Contribution Limit	\$6,000	\$6,000
Catch-Up Contribution Limit for IRAs	\$1,000	\$1,000
Annual limit on additions to defined contribution plans	\$57,000	\$56,000
Defined Benefit Plan Annual Benefit Limit	\$230,000	\$225,000
Annual Compensation Limit	\$285,000	\$280,000
Maximum elective deferral to 457 plans of exempt employers	\$19,500	\$19,000
Threshold amount to determine if someone is a key employee in top-heavy plans	\$185,000	\$180,000
Threshold amount to determine if someone is a highly compensated employee	\$130,000	\$125,000
Social Security Wage Base	\$137,700	\$132,900
Medicare Wage Base	None	None

HEALTH SAVINGS ACCOUNTS (HSAs)		
Annual Contribution Limits		
	2020	2019
Individual	\$3,550	\$3,500
Family	\$7,100	\$7,000
Age 55 or older	\$1,000 additional	\$1,000 additional

The information contained in this document does not constitute financial or investment advice. Source: www.irs.gov as of Jan. 1, 2020.

STANDARD MILEAGE RATES		
	2020	2019
Business	57.5 cents per mile	58 cents per mile
Moving	17 cents per mile	20 cents per mile
Medical	17 cents per mile	20 cents per mile
Charitable	14 cents per mile	14 cents per mile

CAPITAL GAINS	
Holding Period	Top Capital Gains Rate
	2019-2020
12 months or less	37% ¹
More than 12 months ¹	0% ² , 15% or 20% ³
Depreciation recapture on real estate	25%
Collectibles and certain small business stock	28%

¹ Capital gain may be subject to an additional 3.8% Medicare tax.
² Zero if in 10-12% bracket. Otherwise, 15%.
³ Rate for taxpayers in the middle of the 35% bracket and above.

LONG-TERM CARE INSURANCE		
If you are:	You may deduct this much of your annual premiums:	
	2020	2019
Over 70	\$5,430	\$5,270
61 to 70	\$4,350	\$4,220
51 to 60	\$1,630	\$1,580
41 to 50	\$810	\$790
40 and under	\$430	\$420

ESTATE TAXES / GIFT TAXES		
	2020	2019
Estate Tax Exemption – Individual	\$11,580,000	\$11,400,000
Top Estate Tax Rate	40%	40%
Annual Gift Tax Exclusion – Gifts per person	\$15,000	\$15,000
Annual Gift Tax Exclusion – Joint gifts by spouse	\$30,000	\$30,000

UNIFORM LIFETIME TABLE (2019-2020)

Age of Account Owner	Distribution Period
70	27.4
71	26.5
72	25.6
73	24.7
74	23.8
75	22.9
76	22.0
77	21.2
78	20.3
79	19.5
80	18.7
81	17.9

Required Minimum Distributions
 The Uniform Lifetime Table can be used by all IRA owners at age 70 1/2 years, unless their sole beneficiary for the entire year is a spouse who is more than 10 years younger. Then the regular Joint Life Expectancy Table is used (see IRS Pub. 590), which could reduce the required minimum distribution even further.

STANDARD DEDUCTION		
Filing Status	Standard Deduction	
	2020	2019
Single	\$12,400	\$12,200
Married Filing Jointly (MFJ)	\$24,800	\$24,400
Married Filing Separately (MFS)	\$12,400	\$12,200
Head of Household (HOH)	\$18,650	\$18,350

INDIVIDUAL TAX BRACKETS (2020)					
Single		Married Filing Jointly		Head of Household	
Taxable Income	Amount Owed	Taxable Income	Amount Owed	Taxable Income	Amount Owed
\$0-\$9,875	10% of taxable income	\$0-\$19,750	10% of taxable income	\$0-\$14,100	10% of taxable income
\$9,876-\$40,125	\$987.50 + 12% of the amount over \$9,875	\$19,751-\$80,250	\$1,975 + 12% of the amount over \$19,750	\$14,101-\$53,700	\$1,410 + 12% of the amount over \$14,100
\$40,126-\$85,525	\$4,617.50 + 22% of the amount over \$40,125	\$80,251-\$171,050	\$9,235 + 22% of the amount over \$80,250	\$53,701-\$85,500	\$6,162 + 22% of the amount over \$53,700
\$85,526-\$163,300	\$14,605.50 + 24% of the amount over \$85,525	\$171,051-\$326,600	\$29,211 + 24% of the amount over \$171,050	\$85,501-\$163,300	\$13,158 + 24% of the amount over \$85,500
\$163,301-\$207,350	\$33,271.50 + 32% of the amount over \$163,300	\$326,601-\$414,700	\$66,543 + 32% of the amount over \$326,600	\$163,301-\$207,350	\$31,830 + 32% of the amount over \$163,300
\$207,351-\$518,400	\$47,367.50 + 35% of the amount over \$207,350	\$414,701-\$622,050	\$94,735 + 35% of the amount over \$414,700	\$207,351-\$518,400	\$45,926 + 35% of the amount over \$207,350
Over \$518,400	\$156,235 + 37% of the amount over \$518,400	Over \$622,050	\$167,307.50 + 37% of the amount over \$622,050	Over \$518,400	\$154,793.50 + 37% of the amount over \$518,400

Akron Community Foundation offers customized, tax-smart giving solutions to meet your clients' needs.

We also provide helpful resources for advisors on our website, including an in-depth manual on taxation and giving for every state in the nation. See all we offer at www.akroncf.org/Advisors. To learn more about working with Akron Community Foundation or to request a step-by-step guide for private foundation conversions, contact Laura Fink at 330-436-5611 or lfink@akroncf.org.



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YOUR PARTNER IN PHILANTHROPY

DONOR-ADVISED FUNDS

Donor-advised funds are the fastest-growing charitable vehicle in the United States. For good reason: There's no cost to start a fund, and it can be used to support your clients' favorite causes now and for years to come. Plus, Akron Community Foundation handles all the management.

Any of our charitable funds can be established with as little as \$5,000 (with the exception of scholarship funds, which start at \$25,000). Donations are deductible up to 60% of adjusted gross income for gifts of cash and 30% for gifts of stock, mutual funds and real estate.

OTHER CHARITABLE FUND OPTIONS

- **Designated Funds** allow donors to support one or more of their favorite nonprofit organizations forever.
- **Scholarship Funds** allow donors to create a brighter future for area students.
- **Field-of-Interest Funds** allow donors to support a particular issue or cause, with the community foundation making the grant decisions.
- **Board Discretionary Funds** allow donors to meet the community's ever-changing needs.

Learn more: www.akroncf.org/FundTypes

A SIMPLE ALTERNATIVE

If your client is considering establishing a private foundation, a donor-advised fund may be a simpler, less expensive solution.

Donor-Advised Funds

- Offer the maximum charitable deduction allowed by law, including double the deduction limit for gifts of cash (60% of the donor's AGI vs. 30% for private foundations).
- Can be created in as little as one day and require no start-up fees.
- Have no mandatory distributions and can invade principal if desired.
- Allow donors to remain anonymous.
- Can have successor advisors so the donor's legacy lives on in perpetuity.

Private Foundations

- Typically have extensive administrative, legal and investment costs.
- Require a 5% annual payout (which can be used to start or contribute to a donor-advised fund at ACF).

Learn more: www.akroncf.org/Comparison

TAX-SMART SOLUTIONS

Charitable giving can be an excellent solution to meet both the financial and philanthropic goals of your clients. Your clients may benefit from charitable giving if they:

- Have had an exceptionally **high-income year** and need an immediate tax deduction.
- Have **highly appreciated stock** and are looking to avoid capital gains while receiving a tax deduction.
- Are **selling a business** and want to reduce their tax bill while supporting the community where their customers and employees reside.
- Don't need a portion of their IRA's **required minimum distribution** and want to avoid paying taxes on it.
- Can no longer itemize their charitable contributions under the current tax law and want the option to **bunch their donations** while maintaining steady support for their favorite charities.
- Are looking for a secure stream of **income in retirement**.
- Want to **leave a lasting legacy** by supporting the causes they care about.

WHAT ARE THE BENEFITS?

- Akron Community Foundation handles all the work, including record keeping, due diligence, check writing, gift acceptance and tax filings.
- It's free to start a fund, and funds can be established in as little as one day.
- Donors receive an immediate tax deduction but can take their time recommending grants in future years.
- Combined administrative and investment fees of approximately 2%.
- Ability to engage children, grandchildren and other family members through Akron Community Foundation's Center for Family Philanthropy.
- Can support any 501(c)(3) nonprofit in our community or across the nation.
- Donors can remain anonymous.
- Ability to reduce taxes by bunching donations in key years, while spreading out grants to charity over time.
- Local service and access to in-depth knowledge about the region's issues and nonprofits.



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2019-2020 TAX & CHARITABLE REFERENCE GUIDE

Always at your fingertips