

2022 Reference Guide

IRAs & Qualified Plans

Contribution Limits	
IRA or Roth IRA contribution limit	\$6,000
IRA or Roth IRA catch-up (age 50 or older)	\$1,000
Traditional IRA deduction phaseout	
Participants in a retirement plan	
Single	\$68,000 - \$78,000
Married filing jointly	\$109,000 - \$129,000
Married filing separately	\$0 - \$10,000
Spousal IRA	\$204,000 - \$214,000
Roth IRA phaseout	
Single	\$129,000 - \$144,000
Married filing jointly	\$204,000 - \$214,000
Qualified Plans	
Elective deferrals to 401(k), 403(b), 457, and SARSEPs	\$20,500
Catch-up contribution (age 50 or older)	\$6,500
Defined contribution plan limit (Section 415(c)(1)(A))	\$61,000
Defined benefit plan limit (Section 415(b)(1)(A))	\$245,000

Simple IRA & SEP IRA

SEP IRA contribution limit	Lesser of \$61,000 or 25% of compensation
SIMPLE Plan contribution limit	\$14,000
Catch-up contribution (age 50 or older)	\$3,000
Maximum compensation limit for retirement plans	\$305,000
Key employee (top-heavy plans)	Above \$200,000
Highly compensated employee	\$135,000

Health Savings Account

Minimum Deductible Amount	
Single	\$1,400
Family	\$2,800
Maximum Out-of-Pocket Amount	
Single	\$7,050
Family	\$14,100
HSA Contribution Limit	
Single	\$3,650
Family	\$7,300
Catch-up contribution (age 55 or older)	\$1,000

Education

Coverdell Education Savings Accounts	
Contribution limit	\$2,000
Single phaseout	\$95,000 - \$110,000
Married filing jointly phaseout	\$190,000 - \$220,000
Lifetime Learning Credit - 20% of qualified expenses	
Expense limit	\$10,000
Single phaseout	\$80,000 - \$90,000
Married filing jointly phaseout	\$160,000 - \$180,000
529 Plans	

Eligible for college, apprenticeship, and trade school expenses, and up to \$10,000/year for private K-12 tuition. A lifetime limit of \$10,000 each can be used to repay the beneficiary's and each of his/her sibling's student loans.

Capital Gains & Qualified Dividends

For 2022, rates are applied to taxable income levels:

Tax Rate	Single	Married Filing Jointly	Trusts & Estates
0%	\$0 - \$41,675	\$0 - \$83,350	\$0 - \$2,800
15%	\$41,675 - \$459,750	\$83,350 - \$517,200	\$2,800 - \$13,700
20%	over \$459,750	over \$517,200	over \$13,700
(Short-term capital gains are taxed at income tax rates)			
Medicare contribution tax on investment income*:			3.8%

*Tax is applied to the lower of net investment income or modified adjusted gross income over certain thresholds (\$250,000 joint filers/\$200,000 single/\$13,700 Trusts and Estates).

Income Tax Rate Schedules

If Taxable Income Is:		Then the Gross Tax Payable Is:		
Over	But not over	Amount	Plus (%)	Of the amount over
Single Taxpayers				
\$0	\$10,275	----- 10% of taxable income -----		
\$10,275	\$41,775	\$1,027.50	12%	\$10,275
\$41,775	\$89,075	\$4,807.50	22%	\$41,775
\$89,075	\$170,050	\$15,213.50	24%	\$89,075
\$170,050	\$215,950	\$34,647.50	32%	\$170,050
\$215,950	\$539,900	\$49,335.50	35%	\$215,950
\$539,900	-	\$162,718.00	37%	\$539,900
Married Filing Jointly				
\$0	\$20,550	----- 10% of taxable income -----		
\$20,550	\$83,550	\$2,055.00	12%	\$20,550
\$83,550	\$178,150	\$9,615.00	22%	\$83,550
\$178,150	\$340,100	\$30,427.00	24%	\$178,150
\$340,100	\$431,900	\$69,295.00	32%	\$340,100
\$431,900	\$647,850	\$98,671.00	35%	\$431,900
\$647,850	-	\$174,253.50	37%	\$647,850

The income tax brackets for Married Filing Separately are half of the amounts for Married Filing Jointly. The brackets for Heads of Households generally fall between the brackets for single and joint filers.

Trusts & Estates				
\$0	\$2,750	----- 10% of taxable income -----		
\$2,750	\$9,850	\$275.00	24%	\$2,750
\$9,850	\$13,450	\$1,979.00	35%	\$9,850
\$13,450	-	\$3,239.00	37%	\$13,450

Kiddie tax: In 2022, the parent's marginal tax rate is used for a dependent child's unearned income over their deduction amount.

Income Tax Deductions and Credits

Single	\$12,950
Married filing jointly	\$25,900
Head of household	\$19,400
Married filing separately	\$12,950
Child Tax Credit	
Qualifying Child (Children under age 17)	\$2,000
Dependents not eligible for Qualifying Child	\$500
Single phase out begins at	\$200,000
Married filing jointly phase out begins at	\$400,000
Elderly (over age 65) or blind additional deduction	
Single	\$1,750
Married	\$1,400

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Estate & Gift Tax

Individual estate tax exclusion (Federal) (Any unused amount can transfer to a surviving spouse)	\$12,060,000
Maximum estate tax rate	40%
Gift tax exclusion	\$12,060,000
Generation-skipping exclusion	\$12,060,000
Annual gift tax exclusion (per recipient)	\$16,000
Lump sum accelerated gift to a 529 plan (5-year rule)	\$80,000
States with an estate tax and/or inheritance tax: CT, DC, HI, IL, IA, KY, ME, MD, MA, MN, NE, NJ, NY, OR, PA, RI, VT, and WA	

Alternative Minimum Tax (AMT)

Status	Exemption	Phaseout
Single	\$75,900	\$539,900
Married filing jointly	\$118,100	\$1,079,800
Alternative Minimum Tax Rates		
	26% up to \$206,100 of AMT base	
	28% over \$206,100 of AMT base	

Social Security

Social Security wage base	\$147,000
Social Security cost-of-living adjustment	5.9%
Quarter of coverage (earnings for Social Security)	\$1,510
Maximum benefit (worker retiring at FRA)	\$3,345
Estimated average monthly benefit	\$1,657

Social Security benefits are reduced if someone receives benefits and continues to work. The benefit is reduced \$1 for every \$2 or \$3 earned above \$19,560 (\$1,630/mo.) in years prior to FRA and \$51,960 (\$4,330/mo.) in the year FRA is reached, respectively. There is no reduction at FRA. For additional information about Social Security, please see Manning & Napier's 2022 Social Security Guide.

Businesses/Business Owners

For 2022, net business income is taxed at the following rates:

Corporations (C-Corps and similarly treated LLCs)	
Corporate income tax rate:	21%
Accumulated Earnings tax rate (plus interest):	20%*

Dividends paid to shareholders are taxable to them at ordinary income or capital gains tax rate(s), depending on the type of dividend.

*On retained earnings in excess of \$250,000 (\$150,000 for personal service corps.), except if to meet reasonable business needs.

The AMT and US tax on foreign income were eliminated for corps. Illiquid assets and cash held outside of the U.S. are taxed once at rates of 8% and 15.5%, respectively.

Pass Through Entities (Sole Props, Partnerships, S-Corps, and similarly treated LLCs)

Net business income is reported by the owner(s) and is taxed at his/her tax rates

Self-Employment Tax on wages, tips and net earnings	
Medicare Tax (on total amount)*:	2.9%
Social Security Tax (on the first \$147,000):	12.4%
Deduction for qualified business income**:	20.0%

*An Additional Medicare Tax of 0.9% is applied to amounts over certain thresholds (\$250,000 joint filers/\$200,000 single filer).

**The deduction is limited to the lesser of 20% of QBI or 20% of the owner's taxable income. Subject to phase out depending on the type of services provided if income is over \$340,100 (joint) or \$170,050 (single) as of 2022.

Important Dates & Deadlines

Deadlines for Traditional IRAs, Roth IRAs, and SEP IRAs	
2021 Contributions	April 18, 2022
2022 Contributions	April 18, 2023
2022 Roth IRA Conversions	December 30, 2022

Required Minimum Distributions (RMDs)	
<i>New RMD age of 72 applies to all individuals as of 2022</i>	
Age of IRA holder:	First RMD Deadline:
Turned 72 in 2021	April 1, 2022*
Turned 72 in 2022	March 31, 2023*

*Subsequent RMDs must be taken by December 31 of each year. Starting with 2022 RMDs, revised IRS life expectancy tables will be used and slightly reduce RMDs at each age.

2021 Tax Form Mailing Deadlines for Custodians	
Form 1099-R (Retirement Account Distributions)	January 31, 2022
Consolidated Form 1099s (Taxable Accounts)	February 15, 2022*
*Extended deadline for accounts holding certain securities (REITs, WHFITs, CMOs)	March 15, 2022
Form 5498 (Retirement Account Contributions)	May 31, 2022

2022 Estimated Tax Payments	
For the period	Due date
January 1 - March 31	April 15, 2022
April 1 - May 31	June 15, 2022
June 1 - August 31	September 15, 2022
September 1 - December 31	January 17, 2023

- Proposed 2022 Tax Law Changes – Build Back Better Act**
- Increases the SALT deduction cap from \$10,000 to \$80,000 for tax years 2021 through 2031.
 - New 5% surtax on MAGI in excess of \$10M for individual filers (\$5M if MFS), and \$200,000 for trusts and estates.
 - An additional 3% surtax on MAGI in excess of \$25M for individual filers (\$12.5M if MFS), and \$500,000 for trusts and estates.
 - Expands the 3.8% Net Investment Income Tax by applying it to pass-through business income in excess of \$400,000 for single filers and \$500,000 for joint filers.
 - Roth conversions of after-tax funds in any retirement account will be prohibited for all taxpayers starting January 1, 2022.
 - Prohibits all Roth conversions for taxpayers in the highest ordinary income tax bracket starting January 1, 2032.
 - Imposes new contribution limits and RMD rules on large retirement account balances starting January 1, 2029.
 - Extends the 2021 increased Child Tax Credit to 2022.

- Past Legislation to Consider for 2021 Tax Filing Season**
- American Rescue Plan Act of 2021 (Signed into law on 03/11/2021)
- Enhanced Child Tax Credit and Child and Dependent Care Tax Credit for 2021.
 - Extended expanded unemployment benefits until September 6, 2021.
 - Capped ACA insurance premiums at 8.5% of income for all individuals for 2021 and 2022.

- Consolidated Appropriations Act, 2021 (Signed into law on 12/27/2020)
- Extended the above-the-line charitable deduction of \$300 (\$600 for MFJ) through 2021 if not itemizing, or if itemizing, then of 100% of cash gifts, up to adjusted gross income (AGI).
 - Allows the carry-over of flexible spending arrangement (FSA) account balances from 2021 to 2022.
 - Permanently set the medical expense deduction floor to 7.5% of AGI.

Subscribe to our website to receive updates on the progress of proposed legislation changes, including if any future changes seem likely to apply retroactively for all of 2022.