

SECURE ACT 2.0 - 2025 CHANGES

The SECURE 2.0 Act requires NEW defined contribution plans to include provisions that would automatically enroll employees once eligible. The initial automatic savings rate must be at least 3% but no more than 10%.

- Starting January 1, 2025, the savings rate for retirement plans must automatically increase by 1% each year. This increase will continue annually until the savings rate reaches a minimum of 10% but will not exceed 15%.
- Ensure your retirement plan documents are updated to reflect this automatic annual increase.
- Employees may elect out of saving at any point. The overall goal of this provision is to increase participation by requiring employees to opt out instead of opt in.
- Automatic Enrollment: SECURE 2.0 now mandates automatic enrollment in 401(k) and 403(b) plans established after December 29, 2022, with grandfathering rules for plans adopted before that date.
- Extended Amendment Deadlines: The deadlines for adopting plan amendments under SECURE 2.0 have been extended by an additional year, with new deadlines ranging from December 31, 2026, for most nongovernmental plans to December 31, 2029, for governmental plans.
- With the creation of the new "Starter K", employees can contribute a maximum of \$6,000, with a \$1,000 catch-up for those 50 or over. Due to the deferral limit decrease, employers do not have to worry about annual top-heavy testing. In other words, smaller businesses that have not been able to provide a 401(k) for employees can now offer this Starter K plan.
- As for the catch-up contribution limit, starting in 2025, for ages 60-63 it will increase to the greater of \$10,000 or 150% of the 2024 catch up limit (\$11,250). The Roth requirement does not apply to 2025 catch up contributions. The only exception is if the employee earns \$145,000 or less every year.
- Additionally, the required minimum distribution (RMD) age has been increased to 73; and in 2033 the age will increase to 75 years old.

STANDARD MILEAGE RATES

| Use | 2025 | 2024 |
|------------|---------------|---------------|
| Business | .70 per mile | .67 per mile |
| Moving | .21 per mile* | .21 per mile* |
| Medical | .21 per mile | .21 per mile |
| Charitable | .14 per mile | .14 per mile |

*For members of the U.S. Armed Forces (or their spouse or dependents).
The rates apply to EV's, hybrids, gas and diesel vehicles.

2025 FEDERAL TRUST AND ESTATE TAX

Estate Taxes

| | 2025 | 2024 |
|---|--------------|--------------|
| Estate tax exemption/Unified tax credit | \$13,990,000 | \$13,610,000 |
| Married Couple Estate Exemption | \$27,980,000 | \$27,220,000 |
| Top estate tax rate | 40% | 40% |

Gift Taxes

| | 2025 | 2024 |
|-----------------------------|--------------|--------------|
| Lifetime gift tax exemption | \$13,990,000 | \$13,610,000 |
| Annual gift tax exclusion | | |
| Gifts per person | \$ 19,000 | \$ 18,000 |
| Joint gifts by spouse | \$ 38,000 | \$ 36,000 |
| Top gift tax rate | 40% | 40% |

2025 FEDERAL TRUST AND ESTATE TAX

| If taxable income is: | The tax is: |
|-----------------------|---------------------------------------|
| \$ 0 - \$ 3,150 | 10% of the taxable income |
| \$ 3,151 - \$11,450 | \$ 315 + 24% of excess over \$ 3,150 |
| \$11,451 - \$15,650 | \$2,307 + 35% of excess over \$11,450 |
| \$15,651 - or more | \$3,861 + 37% of excess over \$15,650 |

LONG-TERM CARE INSURANCE

You may deduct this much of your annual premiums

| If your age is | 2025 | 2024 |
|----------------|----------|----------|
| Over 70 | \$ 6,020 | \$ 5,880 |
| 61 to 70 | \$ 4,810 | \$ 4,710 |
| 51 to 60 | \$ 1,800 | \$ 1,760 |
| 41 to 50 | \$ 900 | \$ 880 |
| 40 and under | \$ 480 | \$ 470 |

CAPITAL GAINS — 2025 & 2024

| Holding Period | 2025 | 2024 |
|---|--------------------|--------------------|
| 12 months or less | 37% ¹ | 37% ¹ |
| More than 12 months | 20% ^{1,2} | 20% ^{1,2} |
| Depreciation recapture on real estate | 25% | 25% |
| Collectibles and certain small business stock | 28% | 28% |

¹ Capital gain rates may be subject to an additional 3.8% Medicare tax.

² Rate for taxpayers in the top income tax bracket. (Middle income tax brackets pay 15%.)

2025 DEDUCTION FOR MORTGAGE INTEREST

✓ Deduction on interest for qualifying mortgages up to \$750,000 (\$375,000 if married/filing separately); homes under agreement before 12/15/17 for purchase prior to 1/1/18 (provided purchase occurred by 4/1/18) grandfathered under previous \$1,000,000 (\$500,000 if married/filing separately) limits.

✓ Interest on home equity lines of credit (HELOC) deductible in certain cases where proceeds are utilized to acquire or improve a residence.

2025 TAX POCKET TABLES



Compliments of
Office of Gift Planning

2025 INDIVIDUAL INCOME TAX RATES*

Married Filing Jointly or Qualifying Widow (Widower)

| If Taxable Income Is Between: | Your Tax Is: | Of Amount Over: |
|-------------------------------|------------------|-----------------|
| \$ 0 – \$ 23,850 |10% | \$ 0 |
| \$ 23,850 – \$ 96,950 | \$ 2,385 + 12% | \$ 23,850 |
| \$ 96,950 – \$ 206,700 | \$ 11,157 + 22% | \$ 96,950 |
| \$ 206,700 – \$ 394,600 | \$ 35,302 + 24% | \$ 206,700 |
| \$ 394,600 – \$ 501,050 | \$ 80,398 + 32% | \$ 394,600 |
| \$ 501,050 – \$ 751,600 | \$ 114,462 + 35% | \$ 501,050 |
| \$ 751,600 and above | \$ 202,154 + 37% | \$ 751,600 |

Married Filing Separately

| If Taxable Income Is Between: | Your Tax Is: | Of Amount Over: |
|-------------------------------|------------------|-----------------|
| \$ 0 – \$ 11,925 |10% | \$ 0 |
| \$ 11,925 – \$ 48,475 | \$ 1,192 + 12% | \$ 11,925 |
| \$ 48,475 – \$ 103,350 | \$ 5,578 + 22% | \$ 48,475 |
| \$ 103,350 – \$ 197,300 | \$ 17,650 + 24% | \$ 103,350 |
| \$ 197,300 – \$ 250,525 | \$ 40,198 + 32% | \$ 197,300 |
| \$ 250,525 – \$ 375,800 | \$ 57,230 + 35% | \$ 250,525 |
| \$ 375,800 and above | \$ 101,074 + 37% | \$ 375,800 |

Single

| If Taxable Income Is Between: | Your Tax Is: | Of Amount Over: |
|-------------------------------|------------------|-----------------|
| \$ 0 – \$ 11,925 |10% | \$ 0 |
| \$ 11,925 – \$ 48,475 | \$ 1,192 + 12% | \$ 11,925 |
| \$ 48,475 – \$ 103,350 | \$ 5,578 + 22% | \$ 48,475 |
| \$ 103,350 – \$ 197,300 | \$ 17,650 + 24% | \$ 103,350 |
| \$ 197,300 – \$ 250,525 | \$ 40,198 + 32% | \$ 197,300 |
| \$ 250,525 – \$ 626,350 | \$ 57,230 + 35% | \$ 250,525 |
| \$ 626,350 and above | \$ 188,418 + 37% | \$ 626,350 |

Head of Household

| If Taxable Income Is Between: | Your Tax Is: | Of Amount Over: |
|-------------------------------|------------------|-----------------|
| \$ 0 – \$ 17,000 |10% | \$ 0 |
| \$ 17,000 – \$ 64,850 | \$ 1,700 + 12% | \$ 17,000 |
| \$ 64,850 – \$ 103,350 | \$ 7,442 + 22% | \$ 64,850 |
| \$ 103,350 – \$ 197,300 | \$ 15,912 + 24% | \$ 103,350 |
| \$ 197,300 – \$ 250,500 | \$ 38,460 + 32% | \$ 197,300 |
| \$ 250,500 – \$ 626,350 | \$ 55,503 + 35% | \$ 250,500 |
| \$ 626,350 and above | \$ 187,029 + 37% | \$ 626,350 |

The 2025 tax rate on qualified dividends is 0%, 15% or 20%, (plus a 3.8% Medicare Surtax on the 20% bracket) depending on your taxable income and filing status.

Note: TAX AMOUNTS HAVE BEEN ROUNDED UP

FILING STATUS STANDARD DEDUCTION

| | 2025 | 2024 |
|--|----------|----------|
| Single; Married Filing Separately | \$15,000 | \$14,600 |
| Married Filing Jointly; Surviving Spouse | \$30,000 | \$29,200 |
| Head of Household | \$22,500 | \$21,900 |

If you're at least 65 years old or blind, you can claim an additional standard deduction of \$1,600 in 2025 (\$2,000 if you're claiming the single or head of household filing status).

If you're both 65 or older and blind, the additional deduction amount is DOUBLED.

2024 INDIVIDUAL INCOME TAX RATES*

Married Filing Jointly or Qualifying Widow (Widower)

| If Taxable Income Is Between: | Your Tax Is: | Of Amount Over: |
|-------------------------------|------------------|-----------------|
| \$ 0 – \$ 23,200 |10% | \$ 0 |
| \$ 23,200 – \$ 94,300 | \$ 2,320 + 12% | \$ 23,200 |
| \$ 94,300 – \$ 201,050 | \$ 10,852 + 22% | \$ 94,300 |
| \$ 201,050 – \$ 383,900 | \$ 34,227 + 24% | \$ 201,050 |
| \$ 383,900 – \$ 487,450 | \$ 78,221 + 32% | \$ 383,900 |
| \$ 487,450 – \$ 731,200 | \$ 111,357 + 35% | \$ 487,450 |
| \$ 731,200 and above | \$ 196,669 + 37% | \$ 731,200 |

Married Filing Separately

| If Taxable Income Is Between: | Your Tax Is: | Of Amount Over: |
|-------------------------------|-----------------|-----------------|
| \$ 0 – \$ 11,600 |10% | \$ 0 |
| \$ 11,600 – \$ 47,150 | \$ 1,160 + 12% | \$ 11,600 |
| \$ 47,150 – \$ 100,525 | \$ 5,426 + 22% | \$ 47,150 |
| \$ 100,525 – \$ 191,950 | \$ 17,168 + 24% | \$ 100,525 |
| \$ 191,950 – \$ 243,725 | \$ 39,110 + 32% | \$ 191,950 |
| \$ 243,725 – \$ 365,600 | \$ 55,678 + 35% | \$ 243,725 |
| \$ 365,600 and above | \$ 98,334 + 37% | \$ 365,600 |

Single

| If Taxable Income Is Between: | Your Tax Is: | Of Amount Over: |
|-------------------------------|------------------|-----------------|
| \$ 0 – \$ 11,600 |10% | \$ 0 |
| \$ 11,600 – \$ 47,150 | \$ 1,160 + 12% | \$ 11,600 |
| \$ 47,150 – \$ 100,525 | \$ 5,426 + 22% | \$ 47,150 |
| \$ 100,525 – \$ 191,950 | \$ 17,168 + 24% | \$ 100,525 |
| \$ 191,950 – \$ 243,725 | \$ 39,110 + 32% | \$ 191,950 |
| \$ 243,725 – \$ 609,350 | \$ 55,678 + 35% | \$ 243,725 |
| \$ 609,350 and above | \$ 183,647 + 37% | \$ 609,350 |

Head of Household

| If Taxable Income Is Between: | Your Tax Is: | Of Amount Over: |
|-------------------------------|------------------|-----------------|
| \$ 0 – \$ 16,550 |10% | \$ 0 |
| \$ 16,550 – \$ 63,100 | \$ 1,655 + 12% | \$ 16,550 |
| \$ 63,100 – \$ 100,500 | \$ 7,241 + 22% | \$ 63,100 |
| \$ 100,500 – \$ 191,950 | \$ 15,469 + 24% | \$ 100,500 |
| \$ 191,950 – \$ 243,700 | \$ 37,417 + 32% | \$ 191,950 |
| \$ 243,700 – \$ 609,350 | \$ 53,977 + 35% | \$ 243,700 |
| \$ 609,350 and above | \$ 181,954 + 37% | \$ 609,350 |

The 2024 tax rate on qualified dividends is 0%, 15% or 20%, (plus a 3.8% Medicare Surtax on the 20% bracket) depending on your taxable income and filing status.

Note: TAX AMOUNTS HAVE BEEN ROUNDED UP

PERSONAL EXEMPTIONS

| | 2018-2025 | 2017 |
|--|-----------|------------|
| Deduction for each taxpayer, spouse, and dependent * | \$0 | \$ 4,050 |
| There is an AGI phaseout beginning at: | | |
| Married, filing jointly | \$0 | \$ 313,800 |
| Married, filing separately | \$0 | \$ 156,900 |
| Single | \$0 | \$ 261,500 |
| Head of household | \$0 | \$ 287,650 |

* There are no personal exemption amounts for 2018 through 2025.

RETIREMENT PLANS

Indexed Contribution & Benefit Limits for Qualified Plans

| Type of Plan | 2025 | 2024 |
|--|------------|------------|
| Individual Retirement Accounts (IRAs)* | \$ 7,000 | \$ 7,000 |
| Section 401(k), 402(g) plans or SAR-SEPs* | \$ 23,500 | \$ 23,000 |
| Section 403(b) plans* | \$ 23,500 | \$ 23,000 |
| Section 408(p)(2)(E) SIMPLE contributions* | \$ 16,500 | \$ 16,000 |
| Section 457(b)(2) limit* | \$ 23,500 | \$ 23,000 |
| Section 415 limit for: | | |
| Defined contribution plans | \$ 70,000 | \$ 69,000 |
| Defined benefit plans | \$ 280,000 | \$ 275,000 |
| Highly compensated employees Section 414(q) | \$ 160,000 | \$ 155,000 |
| FICA taxable wage base | | |
| Social Security | \$ 176,100 | \$ 168,600 |
| Medicare (tax rate 1.45% for employees; * 2.90% for self-employed) | No limit | No limit |
| * Age 50 additional contributions | | |
| 401(k) type plans | \$ 7,500 | \$ 7,500 |
| SIMPLEs | \$ 3,500 | \$ 3,500 |
| IRAs | \$ 1,000 | \$ 1,000 |

*Plus 0.9% for those earning over \$200,000 (single filers) \$250,000 (joint filers)

Roth IRAs

| AGI limit for maximum contributions: | 2025 | 2024 |
|--------------------------------------|------------|------------|
| Joint filers | \$ 246,000 | \$ 240,000 |
| Individual filers | \$ 165,000 | \$ 161,000 |

If your age is 60 through 63 by December 31, 2025, you have a higher catch up limit in 2025. That will be \$10,000 in 2025.

Traditional IRAs

| AGI limits for full deductions: | 2025 | 2024 |
|---------------------------------|----------------------|----------------------|
| Joint filers | \$126,000-\$146,000* | \$123,000-\$143,000* |
| Individual filers | \$ 79,000-\$ 89,000 | \$ 77,000-\$ 87,000 |

* Depending on whether you or your spouse are covered by a plan at work. The income limit on converting traditional IRAs to Roth IRAs was eliminated in 2010.

SOCIAL SECURITY

| Annual Earned Income Limit | 2025 | 2024 |
|----------------------------|-----------|-----------|
| Under full retirement age | \$ 23,400 | \$ 22,320 |
| Full retirement age | No Limit | No Limit |

For people reaching full retirement age in 2025, the limit is \$62,160 for months prior to attainment. Beginning the month in which they turn full retirement age, there is no limit.

HEALTH SAVINGS ACCOUNTS

| Contribution Limits | 2025 | 2024 |
|-------------------------------------|----------|----------|
| Individual, self-only | \$ 4,300 | \$ 4,150 |
| Family Coverage | \$ 8,550 | \$ 8,300 |
| Catch-up for those age 55 and older | \$ 1,000 | \$ 1,000 |

For 2025, the minimum deductible for a high-deductible health plan (HDHP) is \$1,650 for self-only coverage and \$3,300 for family coverage. The maximum out-of-pocket limit is \$8,300 for self-only coverage and \$16,600 for family plans.

ALTERNATIVE MINIMUM TAX

| AMT Exemptions | 2025 | 2024 |
|----------------------------|------------|------------|
| Married, filing jointly | \$ 137,000 | \$ 133,300 |
| Married, filing separately | \$ 68,650 | \$ 66,650 |
| Single/Head of household | \$ 88,100 | \$ 85,700 |