WEALTH MANAGEMENT

Morgan Stanley

January 22, 2025

Key Financial Data for 2025

Below is my annual Key Financial Data card for 2025.

The annual 401(k) contribution limit has been raised $500 to $23,500. The catch-up provision if over 50 remains the same at $7500.

IRA and Roth IRA contribution limits remain at $7000. The catch-up provision if over 50 remains at $1000.

Currently, there are no changes to Long-Term Capital Gains rates. Please review the tax rate brackets as the income limits have been slightly raised.

There is no change in the maximum Estate Tax rate at 40%; however, the exclusion amount is now $13,980,000 and the annual gift tax exclusion increases to $19,000 per recipient.

Thanks, and have a great week.

-Dan

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The highest compliment we can receive is a referral or introduction to your friends, family or business associates.

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KEY FINANCIAL DATA 2025

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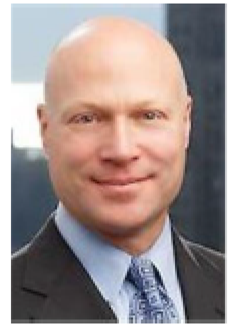

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2025 Tax Rate Schedule

Taxable income ($)	Base amount of tax ($)	Plus	Marginal tax rate	Of the amount over ($)
Single				
0 to 11,925		+	10.0	
11,926 to 48,475	1,192.50	+	12.0	11,925.00
48,476 to 103,350	5,578.50	+	22.0	48,475.00
103,351 to 197,300	17,651.00	+	24.0	103,350.00
197,301 to 250,525	40,199.00	+	32.0	197,300.00
250,526 to 626,350	57,231.00	+	35.0	250,525.00
Over 626,350	188,769.75	+	37.0	626,350.00
Married filing jointly and surviving spouses				
0 to 23,850		+	10.0	
23,851 to 96,950	2,385.00	+	12.0	23,850.00
96,951 to 206,700	11,157.00	+	22.0	96,950.00
206,701 to 394,600	35,302.00	+	24.0	206,700.00
394,601 to 501,050	80,398.00	+	32.0	394,600.00
501,051 to 751,600	114,462.00	+	35.0	501,050.00
Over 751,600	202,154.50	+	37.0	751,600.00
Head of household				
0 to 17,000		+	10.0	
17,001 to 64,850	1,700.00	+	12.0	17,000.00
64,851 to 103,350	7,442.00	+	22.0	64,850.00
103,351 to 197,300	15,912.00	+	24.0	103,350.00
197,301 to 250,500	38,460.00	+	32.0	197,300.00
250,501 to 626,350	55,484.00	+	35.0	250,500.00
Over 626,350	187,031.50	+	37.0	626,350.00
Married filing separately				
0 to 11,925		+	10.0	
11,926 to 48,475	1,192.50	+	12.0	11,925.00
48,476 to 103,350	5,578.50	+	22.0	48,475.00
103,351 to 197,300	17,651.00	+	24.0	103,350.00
197,301 to 250,525	40,199.00	+	32.0	197,300.00
250,526 to 375,800	57,231.00	+	35.0	250,525.00
Over 375,800	101,077.25	+	37.0	375,800.00
Estates and trusts				
0 to 3,150		+	10.0	
3,151 to 11,450	315.00	+	24.0	3,150.00
11,451 to 15,650	2,307.00	+	35.0	11,450.00
Over 15,650	3,777.00	+	37.0	15,650.00

Standard Deductions & Child Tax Credit

Filing status	Standard deduction
Married, filing jointly and qualifying widow(er)s	$30,000
Single or married, filing separately	$15,000
Head of household	$22,500
Dependent filing own tax return	$1,350*
Additional deductions for non-itemizers	
Blind or over 65	Add $1,600
Blind or over 65, unmarried & not a surviving spouse	Add $2,000
Child Tax Credit	
Credit per child under 17	$2,000 ($1,700 refundable)
Income phaseouts begin at AGI of:	$400,000 joint, $200,000 all other

Tax Rates on Long-Term Capital Gains and Qualified Dividends

If taxable income falls below $48,350 (single/married-filing separately), $96,700 (joint), $64,750 (head of household), $3,250 (estates)	0%
If taxable income falls at or above $48,350 (single/married-filing separately), $96,700 (joint), $64,750 (head of household), $3,250 (estates)	15%
If income falls at or above $533,400 (single), $300,000 (married-filing separately), $600,050 (joint), $566,700 (head of household), $15,900 (estates)	20%

3.8% Tax on Lesser of Net Investment Income or Excess of MAGI Over

Married, filing jointly	$250,000
Single	$200,000
Married, filing separately	$125,000

Exemption Amounts for Alternative Minimum Tax**

Married, filing jointly or surviving spouses	$137,000
Single	$88,100
Married, filing separately	$68,500
Estates and trusts	$30,700
28% tax rate applies to income over:	
Married, filing separately	$119,550
All others	$239,100
Exemption amounts phase out at:	
Married, filing jointly or surviving spouses	$1,252,700
Single and married, filing separately	$626,350
Estates and trusts	$102,500

Gift and Estate Tax Exclusions and Credits

Maximum estate, gift & GST rates	40%
Estate, gift & GST exclusions	$13,990,000
Gift tax annual exclusion	$19,000
Exclusion on gifts to non-citizen spouse	$190,000

Education Credits, Deductions, and Distributions

Credit/Deduction/ Account	Maximum credit/ deduction/ distribution	Income phaseouts begin at AGI of:
American Opportunity Tax Credit/Hope	$2,500 credit	$160,000 joint $80,000 all others
Lifetime learning credit	$2,000 credit	$160,000 joint $80,000 all others
Savings bond interest tax-free if used for education	Deduction limited to amount of qualified expenses	$149,250 joint $99,500 all others
Coverdell	$2,000 maximum; not deductible	$190,000 joint $95,000 all others
529 plan (K-12)	$10,000 distribution	None
529 plan (Higher Ed.) †	Distribution limited to amount of qualified expenses	None

Tax Deadlines

- January 15 – 4th installment of the previous year's estimated taxes due
- April 15 – Tax filing deadline, or request extension to Oct. 15. 1st installment of 2025 taxes due. Last day to file amended return for 2021. Last day to contribute to: Roth or traditional IRA for 2024; HSA for 2024; Keogh or SEP for 2024 (unless tax filing deadline has been extended).
- June 16 – 2nd installment of estimated taxes due
- September 15 – 3rd installment of estimated taxes due
- October 15 – Tax returns due for those who requested an extension. Last day to contribute to SEP or Keogh for 2024 if extension was filed.
- December 31 – Last day to: 1) pay expenses for itemized deductions; 2) complete transactions for capital gains or losses; 3) establish a Keogh plan for 2025; 4) establish and fund a solo 401(k) for 2025; 5) complete 2025 contributions to employer-sponsored 401(k) plans; 6) correct excess contributions to IRAs and qualified plans to avoid penalty.

* Greater of $1,350 or $450 plus the individual's earned income.
** Indexed for inflation and scheduled to sunset at the end of 2025.
† $10,000 lifetime 529 distribution can be applied to student loan debt.

Check with your financial professional for updates.

Retirement Plan Contribution Limits

Annual compensation used to determine contribution for most plans	$350,000
Defined-contribution plans, basic limit	$70,000
Defined-benefit plans, basic limit	$280,000
401(k), 403(b), 457(b), Roth 401(k) plans elective deferrals	$23,500
Catch-up provision for individuals 50-59 and 64+, 401(k), 403(b), 457(b), Roth 401(k) plans	$7,500
Catch-up provision for individuals 60-63, 401(k), 403(b), 457(b), Roth 401(k) plans	$11,250
SIMPLE plans, elective deferral limit	$16,500
SIMPLE plans, catch-up contribution for individuals 50 and over	$3,500

Individual Retirement Accounts

IRA type	Contribution limit	Catch-up at 50+	Income limits
Traditional nondeductible	$7,000	$1,000	None
Traditional deductible	$7,000	$1,000	If covered by a plan: $126,000 - $146,000 joint $79,000 - $89,000 single, HOH 0 - $10,000 married filing separately If one spouse is covered by a plan: $236,000 - $246,000 joint
Roth	$7,000	$1,000	$236,000 - $246,000 joint $150,000 - $165,000 single & HOH 0 - $10,000 married filing separately
Roth conversion			No income limit

Health Savings Accounts

Annual limit	Maximum deductible contribution	Expense limits (deductibles and co-pays)	Minimum annual deductible
Individuals	$4,300	$8,300	$1,650
Families	$8,550	$16,600	$3,300
Catch-up for 55 and older	$1,000		

Deductibility of Long-Term Care Premiums on Qualified Policies

Attained age before close of tax year	Amount of LTC premiums that qualify as medical expenses in 2025
40 or less	$480
41 to 50	$900
51 to 60	$1,800
61 to 70	$4,810
Over 70	$6,020

Medicare Deductibles

Part B deductible	$257.00
Part A (inpatient services) deductible for first 60 days of hospitalization	$1,676.00
Part A deductible for days 61-90 of hospitalization	$419.00/day
Part A deductible for more than 90 days of hospitalization	$838.00/day

Social Security

Benefits

Estimated maximum monthly benefit if turning full retirement age (66 years and 10 months) in 2025	$4,018
Retirement earnings exempt amounts	$23,400 under FRA $62,160 during year reach FRA No limit after FRA

Tax on Social Security benefits: income brackets

Filing status	Provisional income*	Amount of Social Security subject to tax
Married filing jointly	Under $32,000 $32,000-$44,000 Over $44,000	0 up to 50% up to 85%
Single, head of household, qualifying widow(er), married filing separately and living apart from spouse	Under $25,000 $25,000-$34,000 Over $34,000	0 up to 50% up to 85%
Married filing separately and living with spouse	Over 0	up to 85%

Tax (FICA)

SS tax paid on income up to $176,100	% withheld	Maximum tax payable
Employer pays	6.2%	$10,918.20
Employee pays	6.2%	$10,918.20
Self-employed pays	12.4%	$21,836.40

Medicare tax

Employer pays	1.45%	varies per income
Employee pays	1.45% plus 0.9% on income over $200,000 (single) or $250,000 (joint)	varies per income
Self-employed pays	2.90% plus 0.9% on income over $200,000 (single) or $250,000 (joint)	varies per income

*Provisional income = adjusted gross income (not incl. Social Security) + tax-exempt interest + 50% of Social Security benefit

Medicare Premiums

2023 MAGI single	2023 MAGI joint	Part B Premium	Part D income adjustment
$106,000 or less	$212,000 or less	$185.00	$0
106,001-133,000	212,001-266,000	$259.00	$13.70
133,001-167,000	266,001-334,000	$370.00	$35.30
167,001-200,000	334,001-400,000	$480.90	$57.00
200,001-500,000	400,001-750,000	$591.90	$78.60
Above 500,000	Above 750,000	$628.90	$85.80

Uniform Lifetime Table (partial)

Age of IRA owner or plan participant	Life expectancy (in years)	Age of IRA owner or plan participant	Life expectancy (in years)
73	26.5	89	12.9
74	25.5	90	12.2
75	24.6	91	11.5
76	23.7	92	10.8
77	22.9	93	10.1
78	22.0	94	9.5
79	21.1	95	8.9
80	20.2	96	8.4
81	19.4	97	7.8
82	18.5	98	7.3
83	17.7	99	6.8
84	16.8	100	6.4
85	16.0	101	6.0
86	15.2	102	5.6
87	14.4	103	5.2
88	13.7	104	4.9