

Morgan Stanley

Tax Tables 2025 Edition

2025 Tax Rate Schedule

| TAXABLE INCOME (\$) | | BASE AMOUNT OF TAX (\$) | PLUS | MARGINAL TAX RATE (%) | OF THE AMOUNT OVER (\$) |
|---|-----------|-------------------------------|------|-----------------------------|-------------------------------|
| OVER | NOT OVER | | | | |
| SINGLE | | | | | |
| \$0 | \$11,925 | \$0 | + | 10.0 | \$0 |
| \$11,925 | \$48,475 | \$1,192.50 | + | 12.0 | \$11,925 |
| \$48,475 | \$103,350 | \$5,578.50 | + | 22.0 | \$48,475 |
| \$103,350 | \$197,300 | \$17,651.00 | + | 24.0 | \$103,350 |
| \$197,300 | \$250,525 | \$40,199.00 | + | 32.0 | \$197,300 |
| \$250,525 | \$626,350 | \$57,231.00 | + | 35.0 | \$250,525 |
| \$626,350 | | \$188,769.75 | + | 37.0 | \$626,350 |
| HEAD OF HOUSEHOLD | | | | | |
| \$0 | \$17,000 | \$0 | + | 10.0 | \$0 |
| \$17,000 | \$64,850 | \$1,700.00 | + | 12.0 | \$17,000 |
| \$64,850 | \$103,350 | \$7,442.00 | + | 22.0 | \$64,850 |
| \$103,350 | \$197,300 | \$15,912.00 | + | 24.0 | \$103,350 |
| \$197,300 | \$250,500 | \$38,460.00 | + | 32.0 | \$197,300 |
| \$250,500 | \$626,350 | \$55,484.00 | + | 35.0 | \$250,500 |
| \$626,350 | | \$187,031.50 | + | 37.0 | \$626,350 |
| MARRIED FILING JOINTLY AND SURVIVING SPOUSES | | | | | |
| \$0 | \$23,850 | \$0 | + | 10.0 | \$0 |
| \$23,850 | \$96,950 | \$2,385.00 | + | 12.0 | \$23,850 |
| \$96,950 | \$206,700 | \$11,157.00 | + | 22.0 | \$96,950 |
| \$206,700 | \$394,600 | \$35,302.00 | + | 24.0 | \$206,700 |
| \$394,600 | \$501,050 | \$80,398.00 | + | 32.0 | \$394,600 |
| \$501,050 | \$751,600 | \$114,462.00 | + | 35.0 | \$501,050 |
| \$751,600 | | \$202,154.50 | + | 37.0 | \$751,600 |
| MARRIED FILING SEPARATELY | | | | | |
| \$0 | \$11,925 | \$0 | + | 10.0 | \$0 |
| \$11,925 | \$48,475 | \$1,192.50 | + | 12.0 | \$11,925 |
| \$48,475 | \$103,350 | \$5,578.50 | + | 22.0 | \$48,475 |
| \$103,350 | \$197,300 | \$17,651.00 | + | 24.0 | \$103,350 |
| \$197,300 | \$250,525 | \$40,199.00 | + | 32.0 | \$197,300 |
| \$250,525 | \$375,800 | \$57,231.00 | + | 35.0 | \$250,525 |
| \$375,800 | | \$101,077.25 | + | 37.0 | \$375,800 |
| ESTATES AND TRUSTS | | | | | |
| \$0 | \$3,150 | \$0 | + | 10.0 | \$0 |
| \$3,150 | \$11,450 | \$315 | + | 24.0 | \$3,150 |
| \$11,450 | \$15,650 | \$2,307 | + | 35.0 | \$11,450 |
| \$15,650 | | \$3,777.00 | + | 37.0 | \$15,650 |
| Kiddie Tax: All net unearned income over a threshold amount of \$2,700 for 2025 is taxed using the marginal tax and rates of the <i>child's</i> parents. | | | | | |

Tax Rates on Long-Term Capital Gains & Qualified Dividends

| TAXABLE INCOME | | | | | |
|----------------|--|--|--|--|--|
| LTCG TAX | SINGLE FILERS | MARRIED FILING JOINTLY | HEAD OF HOUSEHOLD | MARRIED FILING SEPARATELY | ESTATES & TRUSTS ⁽¹⁾ |
| 0% | \$48,350 or less | \$96,700 or less | \$64,750 or less | \$48,350 or less | \$3,250 or less |
| 15% | More than \$48,350 and less than \$533,400 | More than \$96,700 and less than \$600,050 | More than \$64,750 and less than \$566,700 | More than \$48,350 and less than \$300,000 | More than \$3,250 and less than \$15,900 |
| 20% | \$533,400 or more | \$600,050 or more | \$566,700 or more | \$300,000 or more | \$15,900 or more |

1. Estates and irrevocable trusts that do not distribute capital gains are subject to these rates.

Net Investment Income Tax

For individuals, 3.8% tax on the lesser of: (1) Net Investment Income, or (2) MAGI in excess of \$200,000 for single filers, or head of households, \$250,000 for married couples filing jointly, and \$125,000 for married couples filing separately.⁽²⁾

2. A different calculation applies to trust and estates.

Standard Deductions for Non-Itemizers

| FILING STATUS | STANDARD DEDUCTION | PERSONAL EXEMPTION | PHASEOUTS BEGIN AT AGI OF: |
|---|------------------------|--------------------|----------------------------|
| Single | \$15,750 | N/A | N/A |
| Head of household | \$23,625 | N/A | N/A |
| Married, filing jointly and surviving spouses | \$31,500 | N/A | N/A |
| Married, filing separately | \$15,750 | N/A | N/A |
| Dependent filing own tax return | \$1,350 ⁽³⁾ | N/A | N/A |

ADDITIONAL DEDUCTIONS FOR NON-ITEMIZERS

| | |
|---|-------------|
| Blind or over 65 Married Filing Jointly | Add \$1,600 |
| Blind or over 65 and unmarried and not a surviving spouse | Add \$2,000 |

3. For taxable years beginning in 2025, the standard deduction amount under § 63(c)(5) for an individual who may be claimed as a dependent by another taxpayer cannot exceed the greater of (1) \$1,350, or (2) the sum of \$450 and the individual's earned income.

Alternative Minimum Tax

| EXEMPTION AMOUNTS AND PHASEOUTS | |
|--|-----------------------|
| EXEMPTION AMOUNT/PHASEOUT AMOUNT BEGINS AT: | |
| Single | \$88,100/\$626,350 |
| Married, filing jointly or surviving spouses | \$137,000/\$1,252,700 |
| Married, filing separately | \$68,500/\$626,350 |
| Estates and trusts | \$30,700/\$102,500 |
| AMT TAX RATES | |
| MARRIED FILING SEPARATELY ALL OTHERS | |
| 26% tax rate applies to income below: | \$119,550 |
| 28% tax rate applies to income over: | \$239,100 |

Child Tax Credit

| CREDIT | MAXIMUM CREDIT | INCOME PHASEOUTS BEGIN AT MAGI OF: |
|---------------------------------|------------------------------|--|
| Child Tax Credit ⁽⁴⁾ | \$2,000 per qualifying child | \$400,000 – married filing jointly \$200,000 – all others |

4. Subject to eligibility requirements

Gift and Estate Tax Exclusions and Credits

| | |
|---|--------------|
| Gift tax annual exclusion | \$19,000 |
| Estate, gift & generation skipping transfer tax exclusion amount (per taxpayer) | \$13,990,000 |
| Exclusion on gifts to non-citizen spouse | \$190,000 |
| Maximum estate, gift & generation skipping transfer tax rate | 40% |

Tax Deadlines (As of November 2024)

- Jan 15, 2025** – 4th installment deadline to pay 2024 estimated taxes due
- April 15, 2025** – Last day to file amended return for 2021 (subject to limited exceptions); Last day to contribute to most employer-sponsored retirement plans, including SEPs and profit-sharing plans for 2024 if the federal income tax return deadline for the business that maintains such plans is April 15, 2025 (unless the federal income tax return filing deadline for the business has been extended). Tax filing deadline to request an extension until Oct. 15, 2025, for businesses whose tax return deadline is April 15, 2025. 1st installment deadline to pay 2025 estimated taxes due. Last day to file federal income tax returns for individuals. Tax filing deadline to request an extension until Oct. 15, 2025 for individuals whose tax return deadline is April 15, 2025. Last day to contribute to Roth or traditional IRA or HSA for 2024.
- Jun 16, 2025** – 2nd installment deadline to pay 2025 estimated taxes due.
- Sep 15, 2025** – 3rd installment deadline to pay 2025 estimated taxes due.
- Oct 15, 2025** – Last day to file federal income tax return if 6-month extension was requested by April 15, 2025 (subjected to limited exceptions). Last day to recharacterize an eligible Traditional IRA or Roth IRA contribution from 2024 if extension was filed or tax return was filed by April 15, 2025 (and certain conditions were met). Last day to contribute to most employer-sponsored retirement plans, including SEPs and profit-sharing plans for 2024 if the federal income tax return deadline for the business that maintains such plans is April 15, 2025, and federal income tax return extension was filed for such business.
- Dec 31, 2025** – Last day to: 1) pay expenses for itemized deductions for 2025; 2) complete transactions for capital gains or losses.
10. Subject to eligibility requirements

Traditional IRA Deductibility Limits

The contribution limit for Traditional IRAs is **\$7,000**; the catch up at age 50+ is **\$1,000**.

| FILING STATUS ⁽¹⁾ | MODIFIED AGI | CONTRIBUTION |
|--|---|----------------------|
| Single/HOH; covered by a plan at work | \$79,000 or less | Fully Deductible |
| | More than \$79,000 and less than \$89,000 | Partially Deductible |
| | \$89,000 or More | Not Deductible |
| Married Filing Jointly; covered by a plan at work | \$126,000 or less | Fully Deductible |
| | More than \$126,000 and less than \$146,000 | Partially Deductible |
| | \$146,000 or More | Not Deductible |
| Married Filing Jointly; not covered by a plan at work and spouse is covered by a plan at work | \$236,000 or less | Fully Deductible |
| | More than \$236,000 and less than \$246,000 | Partially Deductible |
| | \$246,000 or More | Not Deductible |
| Married Filing Separately ⁽²⁾ and you or your spouse are covered by a plan at work ⁽²⁾ | Less than \$10,000 | Partially Deductible |
| | \$10,000 or More | Not Deductible |

1. If not covered by a plan, single, HOH and married filing jointly/separately (both spouses not covered by a plan) tax filers are able to take a full deduction on their IRA contribution without MAGI limitations.

Roth IRAs Contribution Limits

The contribution limit for IRAs is **\$7,000**; the catch up at age 50+ is **\$1,000**.

| ALLOWABLE CONTRIBUTION | MODIFIED AGI ⁽³⁾ | | |
|------------------------|-------------------------------|-------------------------------|--|
| | SINGLE/HOH | MARRIED FILING JOINTLY | MARRIED FILING SEPARATELY ⁽²⁾ |
| Full | Less than \$150,000 | Less than \$236,000 | N/A |
| Partial | \$150,000 less than \$165,000 | \$236,000 less than \$246,000 | \$0 – less than \$10,000 |
| None | \$165,000 or more | \$246,000 or more | \$10,000 or more |

2. If spouses did not live together at any time during the year, Single/HOH MAGI limit apply. 3. Roth conversion income is not included in MAGI.

Other Retirement Plan Contribution Limits

| RETIREMENT PLAN TYPE | MAX. CONTRIBUTION LIMIT ⁽⁴⁾ | CATCH-UP (50+) | MAXIMUM COMPENSATION TAKEN INTO ACCOUNT |
|-----------------------------|---|---------------------------|--|
| SEP IRA | The lesser of 25% of compensation or \$70,000 ⁽⁵⁾ | N/A | Employer contributions cannot take into account compensation in excess of \$350,000 If matching contributions, up to 3% of employee compensation. If nonelective contribution (2% to 10%), employee compensation for calculation capped at \$350,000, generally subject to a maximum of \$5,100 |
| SIMPLE IRA ⁽⁶⁾ | \$16,500 | \$3,500 | |
| Defined Benefit Plan | Individual benefit limited to the lesser of: 100% of average compensation in highest 3 consecutive calendar years, or \$280,000 | N/A | Compensation for benefit calculation capped at \$350,000 or lower limit defined in the plan |
| 401(k) | \$23,500 | \$7,500 ⁽⁷⁾ | Employer contributions cannot take into account compensation in excess of \$350,000 |
| 403(b), 457(b), Roth 401(k) | \$23,500 | \$7,500 ⁽⁷⁾⁽⁸⁾ | Employer contributions cannot take into account compensation in excess of \$350,000 |

4. For SIMPLE IRA, 401(k), 403(b), 457(b), and Roth 401(k), limit applies to employee contributions; additional employer contributions may be made. 5. For self-employed individuals, 25% of net earnings from self-employment.6. For employers with 25 or fewer employees or that meet a higher matching or nonelective contribution threshold, higher limits for each of these amounts generally apply. 7. Effective January 1, 2025, catch-up contributions are increased to \$11,250 for employees age 60-63, if plan permits. 8. For certain 403(b) and 457(b) plans, special additional catch-up contributions may be permitted in specified circumstances. 457(b) plans of tax-exempt employers do not permit regular catch-up contributions.

Health Savings Accounts⁽⁹⁾

| COVERAGE TYPE | MAXIMUM CONTRIBUTION |
|---|----------------------|
| Self-Only HDHP Coverage | \$4,300 |
| Family HDHP Coverage | \$8,550 |
| Catch-up for 55 and older by end of calendar year | \$1,000 |

9. HSAs are only available for taxpayers enrolled in a qualifying high-deductible health plan (HDHP).

Education Credits & Exclusions

| CREDIT / EXCLUSION | MAXIMUM CREDIT / EXCLUSION | INCOME PHASEOUTS AT MAGI OF: |
|--|---|--|
| American Opportunity Tax Credit/Hope | \$2,500 credit | \$160,000 – \$180,000 joint \$80,000 – \$90,000 all others |
| Lifetime Learning Credit | \$2,000 credit | \$160,000 – \$180,000 joint \$80,000 – \$ 90,000 all others |
| Savings bond interest tax-free if used for education | Exclusion limited to amount of qualified education expenses | \$149,250– \$179,250 joint \$99,500 - \$114,500 all others |

Social Security

| FILING STATUS | PROVISIONAL INCOME ⁽¹⁰⁾ | % of SS SUBJECT TO TAXES |
|---|---|--------------------------|
| TAX ON SOCIAL SECURITY BENEFITS: INCOME BRACKETS | | |
| Single, HoH, surviving spouse, married filing separately and living apart from spouse | \$25,000 or less | 0 |
| | More than \$25,000 and less than \$34,000 | up to 50% |
| | \$34,000 or more | up to 85% |
| | \$32,000 or less | 0 |
| Married filing jointly | More than \$32,000 and less than \$44,000 | up to 50% |
| | Over \$44,000 | up to 85% |
| Married filing separately and living with spouse | More than \$0 | up to 85% |

10. Adjusted Gross Income + nontaxable interest + ½ of Social Security benefits.

FICA

| SS TAX PAID ON TAXABLE INCOME UP TO \$176,100 | PERCENTAGE WITHHELD | MAXIMUM TAX PAYABLE |
|---|---------------------|---------------------|
| Tax (FICA) | | |
| Employer pays | 6.2% | \$10,918.20 |
| Employee pays | 6.2% | \$10,918.20 |
| Self-employed pays | 12.4% | \$21,836.40 |

Medicare Tax

| SS TAX PAID ON INCOME | PERCENTAGE WITHHELD |
|-----------------------|---|
| Employer pays | 1.45% |
| Employee pays | 1.45% + 0.9% on wages over \$200,000 (single) or \$250,000 (joint) |
| Self-employed pays | 2.90% + 0.9% on self-employment income over \$200,000 (single) or \$250,000 (joint) |

Social Security Benefits Reduction Before Full Retirement Age

| AGE WHEN BENEFITS BEGIN | PERCENTAGE OF SOCIAL SECURITY BENEFITS | |
|-------------------------|--|---------------------------|
| | FRA of 66 ⁽¹¹⁾ | FRA of 67 ⁽¹¹⁾ |
| 62 | 75.0% | 70.0% |
| 63 | 80.0% | 75.0% |
| 64 | 86.7% | 80.0% |
| 65 | 93.3% | 86.7% |
| 66 | 100.0% | 93.3% |
| 67 | 100.0% | 100.0% |

11. Full retirement age determined by year of birth

Retirement Earnings Exempt Amounts

| | |
|---|--------------------|
| Before Full Retirement Age (FRA) | \$23,400 |
| During the year in which FRA is reached | \$62,160 |
| After FRA | No limit after FRA |

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 under | \$480 |
| Over 40 and 50 or under | \$900 |
| Over 50 and 60 or under | \$1,800 |
| Over 60 and 70 or under | \$4,810 |
| Over 70 | \$6,020 |

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