2026 Tax & Retirement Reference Guide

Schwab Center for Financial Research

Ordinary Income - Tax Rates/Brackets

In general, the ordinary income tax rates/brackets apply to all income, unless an exemption applies. Ordinary income normally includes wages, income from self-employment, businesses, rental income, interest, ordinary dividends, and short-term capital gains (assets held for a year or less).

Single Filers

Tax Rate	Taxable Income	
	From	To
0%	Standard or Itemized Deduction Amount	
10%	$0	$12,400
12%	$12,401	$50,400
22%	$50,401	$105,700
24%	$105,701	$201,775
32%	$201,776	$256,225
35%	$256,226	$640,600
37%	$640,601	No limit

Married Filing Jointly (and Surviving Spouse)

Tax Rate	Taxable Income	
	From	To
0%	Standard or Itemized Deduction Amount	
10%	$0	$24,800
12%	$24,801	$100,800
22%	$100,801	$211,400
24%	$211,401	$403,550
32%	$403,551	$512,450
35%	$512,451	$768,700
37%	$768,701	No limit

Head of Household

Tax Rate	Taxable Income	
	From	To
0%	Standard or Itemized Deduction Amount	
10%	$0	$17,700
12%	$17,701	$67,450
22%	$67,451	$105,700
24%	$105,701	$201,750
32%	$201,751	$256,200
35%	$256,201	$640,600
37%	$640,601	No limit

Married Filing Separately

Tax Rate	Taxable Income	
	From	To
0%	Standard or Itemized Deduction Amount	
10%	$0	$12,400
12%	$12,401	$50,400
22%	$50,401	$105,700
24%	$105,701	$201,775
32%	$201,776	$256,225
35%	$256,226	$384,350
37%	$384,351	No limit

Long-Term Capital Gains & Qualified Dividends - Tax Rates/Brackets

Long-term capital gains tax rates/brackets generally apply to investment assets held for *over a year* and to qualified dividends. Short-term capital gains (assets held for a year or less) are taxed at ordinary income tax rates. Unrecaptured section 1250 gains (such as from depreciated real estate) are taxed up to a maximum rate of 25%. Collectibles (such as coins or art) are taxed up to a maximum rate of 28%. See IRS Publication 550.

Single Filers

Tax Rate	Taxable Income	
	From	To
0%	$0	$49,450
15%	$49,451	$545,500
20%	$545,501	No limit

Married Filing Jointly (and Surviving Spouse)

Tax Rate	Taxable Income	
	From	To
0%	$0	$98,900
15%	$98,901	$613,700
20%	$613,701	No limit

Head of Household

Tax Rate	Taxable Income	
	From	To
0%	$0	$66,200
15%	$66,201	$579,600
20%	$579,601	No limit

Married Filing Separately

Tax Rate	Taxable Income	
	From	To
0%	$0	$49,450
15%	$49,451	$306,850
20%	$306,851	No limit

3.8% Net Investment Income Tax (NIIT)

Filing Status	Single or Head of Household	Married Filing Jointly (and Surviving Spouse)	Married Filing Separately
AGI Income Limit When 3.8% NIIT Takes Effect	$200,000	$250,000	$125,000

Kiddie Tax

This rule applies to unearned income (such as dividends, interest income, and capital gains) of dependent children under the age of 18 or to full-time students younger than 24 at the end of the tax year. Under this rule:

- The first $1,350 of unearned income is not taxed because it's covered by the kiddie tax standard deduction.
- The next $1,350 of unearned income is taxed at the child's marginal tax rate.
- Anything above $2,700 is taxed at the parents' marginal tax rate.

Tax Deductions & Credits (that do not require you to itemize)

Tax deductions reduce your taxable income dollar for dollar, whereas tax credits reduce your tax liability dollar for dollar. Generally, tax credits offer larger tax benefits for those in the lower tax brackets, and tax deductions provide larger tax benefits for those in the higher tax brackets.

Standard Deduction

Filing Status	Deduction Limit
Single & Married Filing Separately	$16,100
Married Filing Jointly (and Surviving Spouse)	$32,200
Head of Household	$24,150
Kiddie tax limited standard deduction	$1,350

Additional Standard Deduction

Filing Status	Deduction Limit
Blind, or age 65 or older	Add $1,650 per person
Blind, or age 65 or older, must be unmarried	Add $2,050

Tax Credits

Child Tax Credit	Amount
For child under the age of 17 (phaseout starts at $400,000 for joint filers, $200,000 for single filers)	$2,200
Lifetime Learning Tax Credit	
Qualified education expenses (phaseout starts at $160,000 for joint filers, $80,000 for all other filers)	$2,000
American Opportunity Tax Credit	
Qualified education expenses (phaseout starts at $160,000 for joint filers, $80,000 for all other filers)	$2,500

Other Tax Deductions

Charitable Donations	Amount
Non-itemizers can now take a donation deduction for cash gifts	Up to $1,000 for single filers or $2,000 for joint filers
Temporary Senior Deduction	
For tax years 2025 to 2028, age 65 or older (phaseout starts at $75,000 for single filer, $150,000 for joint filer)	Up to $6,000 per person
Student Loan Interest Deduction	
Interest on qualified education loans (phaseout starts at $175,000 for joint filers, $85,000 for all other filers)	$2,500
Health Savings Account (HSA)	
Must have coverage under a qualifying high-deductible health plan (age 55 or over can contribute an extra $1,000)	Up to $4,400 for self, Up to $8,750 for family
Tip Income Deduction	
For tax years 2025 to 2028, phaseout starts at $150,000 for single filers or $300,000 for joint filers	Up to $25,000
Overtime Income Deduction	
For tax years 2025 to 2028, phaseout starts at $150,000 for single filers or $300,000 for joint filers	Up to $12,500 for single filers, $25,000 for joint filers
Auto Loan Interest Deduction	
For tax years 2025 to 2028, phaseout starts at $100,000 for single filers or $200,000 for joint filers	Up to $10,000

Itemized Deduction Limits

For 2026 and onward, a new overall limit on itemized deductions, commonly called the "2/37 limit," makes 35 cents on the dollar the maximum tax benefit that can be received from itemizing. This limit only impacts those in the 37% tax bracket.

Deduction	Limit
Medical and dental expenses	7.5% of AGI
For tax years 2025 to 2029, taxes you paid (state, local, property, sales, etc.), phaseout starts at $505,000	$40,400, if over phase out amount reverts to $10,000
Mortgage interest and points:	
Mortgage on or after 12/16/2017	$750,000
Mortgage before 12/16/2017	$1,000,000

Deduction	Limit
Charitable donations	Various limitations apply, see Pub 526
New floor on donations that must be surpassed before taking a deduction	0.5% of AGI
Overall limit	50% of AGI
Cash donations	60% of AGI
Appreciated assets held long term	30% of AGI

Retirement Plan Contribution Limits

Employer-Sponsored Plans

Type	Limit
Overall limit for employer-sponsored defined contribution plans (does not include 457(b) plans)	$72,000
401(k), Roth 401(k), 403(b), 457(b) plans; employee elective deferral limit	$24,500
Catch-up contribution limit for age 50 and over for 401(k) and Roth 401(k) (special catch-up limits may also apply to 403(b) and 457(b) plans)	$8,000 age 50 to 59 and age 64 or older, $11,250 age 60 to 63
SIMPLE IRA and SIMPLE 401(k) plans; employee elective deferral limit	$17,000
Catch-up contribution limit for age 50 or over for SIMPLE plans	$4,000 age 50 to 59 and age 64 or older, $5,250 age 60 to 63
SEP IRA plans: only employer contributions are allowed	Lesser of $72,000 or 25% of wages (20% for owners)
Catch-up contribution limit for age 50 and over for SEP IRA plans	Not allowed

Traditional IRAs & Roth IRAs

Type	Limit
Traditional IRA	$7,500
Catch-up contribution for age 50 and over	$1,100
Phaseout for those covered by an employer-sponsored plan	
• Single	$81,000 to $91,000
• Married filing separately	$0 to $10,000
• Married filing jointly	$129,000 to $149,000
• Married filing jointly, you are not covered but your spouse is	$242,000 to $252,000
Roth IRA	$7,500
Catch-up contribution for age 50 or over	$1,100
Roth IRA income phaseout	
• Single	$153,000 to $168,000
• Married filing jointly	$242,000 to $252,000

Gift, Trust & Estate - Tax Rates/Brackets & Limits

Trust & Estate Ordinary Income Tax Rates & Brackets

Tax Rate	Taxable Income	
	From	To
0%	Standard or Itemized Deduction Amount	
10%	$0	$3,300
24%	$3,301	$11,700
35%	$11,701	$16,000
37%	$16,001	No limit

Annual & Lifetime Gifting Limits

Type	Limit
Maximum estate & gift tax rate	40%
Annual gift tax exclusion	$19,000
Unified gift & estate tax exemption (Note: This amount also covers the generation-skipping tax)	$15,000,000 per person
Annual exclusion for gifts to noncitizen spouse	$194,000

Social Security

Social Security Rules & Limits

Type	Amount
Social Security wage base	$184,500
FICA tax rate for employee	7.65%
SECA tax rate for self-employed	15.3%
Social Security earnings limits prior to full retirement age (FRA)	
Younger than FRA	$24,480
The year you reach FRA	$65,160
Social Security benefits cost-of-living adjustment	2.8%
Maximum possible benefit at FRA	$4,152
Estimated average monthly benefit	$2,071

Taxation of Social Security benefits is based on combined income (adjusted gross income without Social Security, plus tax-exempt interest, plus half of your Social Security benefits)

Single, head of household, & widower combined income of	Taxable Portion
$25,000 or less	0%
$25,001 and $34,000	Up to 50%
More than $34,000	Up to 85%
Married filing jointly combined income of	**Taxable Portion**
$32,000 or less	0%
$32,001 and $44,000	Up to 50%
More than $44,000	Up to 85%

Social Security Full Retirement Age

Year of Birth	1943–54	1955	1956	1957	1958	1959	1960 and later
Social Security FRA	66	66 and 2 months	66 and 4 months	66 and 6 months	66 and 8 months	66 and 10 months	67

Medicare

Monthly Premium	
Part A for those with <30 quarters of coverage	$565
Part A for those with 30-39 quarters	$311
Part B	$202.90
Part A	
First 60 days (patient pays a deductible)	$1,736
Next 30 days (patient pays per day)	$434
Additional 60 lifetime reserve days (patient pay per day)	$868
After all lifetime reserve days are used, patient pays all costs.	

Part B	
Deductible	$283
Coinsurance	20%
Part D (Prescription Drug Plan)	
Deductible	$615
25% coinsurance on next	$2,100
Out-of-pocket (OOP) threshold	$2,100
Beneficiary then pays coinsurance amount for additional covered expenses.	

Medicare Part B & D Income-Related Monthly Adjustment Amount (IRMAA)			
You Pay		If Your 2024 MAGI Was	
Premium	Part D Surcharge	Single	Married
$202.90	Plan premium +	$109,000 or less	$218,000 or less
$284.10	$14.50	$109,001 to $137,000	$218,001 to $274,000
$405.80	$37.50	$137,001 to $171,000	$274,001 to $342,000
$527.50	$60.40	$171,001 to $205,000	$342,001 to $410,000
$649.20	$83.30	$205,001 to $499,999	$410,001 to $749,999
$689.90	$91.00	$500,000 or more	$750,000 or more

Source: This document is a summary of information found at the Internal Revenue Service (IRS) website, Revenue Procedure 2025-32, IRS Notice 2025-67, IRS Topic no. 751, 2026 Medicare fact sheet, and other government sources.

Important disclosures

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