

# EASY REFERENCE TAX GUIDE 2026



## 2026 Estate and Gift Tax Rates

The top tax rate applicable to estates and living gifts will be subject to a maximum tax rate of 40%.

ESTATE TAX	EXCLUSION AMOUNT	FEDERAL CREDIT	GIFT TAX EXCLUSION
2026	\$15,000,000 <sup>1</sup>	\$5,945,800 <sup>1</sup>	\$15,000,000 <sup>1</sup>

### STATES WITH ESTATE OR INHERITANCE TAXES

CT, DC, HI, IL, KY, ME, MD, MA, MN, NE, NJ, NY, OR, PA, RI, VT, WA

### Other Estate and Gift Planning Items

	2026
Annual gift tax exclusion	\$19,000
Annual gift tax exclusion for non-U.S. citizen spouses	\$194,000
Generation-skipping tax (GST) exemption	\$15,000,000 <sup>1</sup>
IRC §6166 2% limit for deferred estate tax payments	\$1,940,000
Special use valuation for qualified real property	\$1,460,000

#### INVESTMENT AND INSURANCE PRODUCTS ARE:

- NOT FDIC INSURED
- NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY
- NOT A DEPOSIT OR OTHER OBLIGATION OF, OR GUARANTEED BY, ANY BANK OR ITS AFFILIATES
- SUBJECT TO INVESTMENT RISKS, INCLUDING POSSIBLE LOSS OF THE PRINCIPAL AMOUNT INVESTED



Prudential

## Personal Tax Items

STANDARD DEDUCTIONS	ANNUAL	ADD'L AGE 65 OR OLDER, OR BLIND
Married, Filing Jointly	\$32,200	\$1,650
Head of Household	\$24,150	\$2,050
Single/Married Filing Separately	\$16,100	\$2,050 (S) / \$1,650 (MFS)

Dependents—\$1,350 or \$450 plus earned income, if greater. Tax return is generally not required if income is less than the standard deduction.

QUAL. DIVIDENDS AND LONG-TERM CAPITAL GAINS ≥ 12-MONTH HOLDING PERIOD		
TAX	SINGLE	MARRIED FILING JOINTLY
0%	\$0 – \$49,450	\$0 – \$98,900
15%	\$49,451 – \$545,500	\$98,901 – \$613,700
20%	Above \$545,500	Above \$613,700

Short-term capital gains at ordinary rates, less than 12-month holding period.

### 3.8% Net Investment Income Tax (NIIT): Single \$200,000, MFJ \$250,000

ALTERNATIVE MINIMUM TAX (FLAT RATE 26%)	EXEMPTION	28% ABOVE	PHASEOUT BEGINS
Single	\$90,100	\$244,500	\$500,000
Married, Filing Jointly	\$140,200	\$244,500	\$1,000,000
Married, Filing Separately	\$70,100	\$122,250	\$500,000
Estates and Trusts	\$31,400	\$244,500	\$104,800

KIDDIE TAX <sup>1</sup> (more than \$1,350 and less than \$13,500) <sup>5</sup>	
Earned Income	Taxed according to unmarried taxpayers (brackets and rates)
Unearned Income	Taxed according to parents' personal brackets and rates

Child's tax is unaffected by tax situation of child's parents.

CHILD CREDIT <sup>1</sup>	CREDIT	REFUNDABLE
Child, 16 and younger	\$2,200	\$1,700
Other dependents	\$500	\$0

MAGI Threshold: \$400,000 (MFJ), \$200,000 (S). Phaseout begins after exceeding threshold.

HEALTH SAVINGS ACCOUNT (HSA) CONTRIBUTION LIMIT	2026
Individuals	\$4,400
Families	\$8,750

Catch-up contribution limits for taxpayers 55 and older: \$1000.

MEDICARE PREMIUMS—MODIFIED AGI IN 2024 WAS		YOUR MONTHLY	
SINGLE	MARRIED	PART B PREMIUM IS	PART D IRMAA IS**
\$109,000 or less	\$218,000 or less	\$202.90	\$0
\$109,001 – \$137,000	\$218,001 – \$274,000	\$284.10	\$14.50
\$137,001 – \$171,000	\$274,001 – \$342,000	\$405.80	\$37.50
\$171,001 – \$205,000	\$342,001 – \$410,000	\$527.50	\$60.40
\$205,001 – \$499,999	\$410,001 – \$749,999	\$649.20	\$83.30
\$500,000 or over	\$750,000 or over	\$689.90	\$91.00

\*\*Part D premium determined by vendor. IRMAA surcharge added to vendor premium.

### Maximum Qualified LTC Premium Eligible for Deduction

AGE	40 OR LESS	41 – 50	51 – 60	61 – 70	OVER 70
Amount	\$500	\$930	\$1,860	\$4,960	\$6,200

Qualified LTC contract per diem limit: \$430

### Corporations<sup>1</sup>

- Corporations are taxed at a flat 21%; No special personal service corporation rate
- Section 179 depreciation up to \$2,560,000—phaseout \$4,090,000—SUV: \$32,000
- Qualified Business Income deduction (Section 199A) threshold amounts and phase-in range amounts for high earners in professional fields: \$403,500 – \$553,500 (MFJ); \$201,750 – \$276,750 (Others except married filing separately)

# Income Tax

## 2026

### If Taxable Income Is:

OVER	BUT NOT OVER	THE TAX IS	OF THE AMOUNT OVER
<b>MARRIED FILING JOINTLY AND SURVIVING SPOUSES</b>			
\$0	\$24,800	+ 10%	\$0
\$24,800	\$100,800	\$2,480 + 12%	\$24,800
\$100,800	\$211,400	\$11,600 + 22%	\$100,800
\$211,400	\$403,550	\$35,932 + 24%	\$211,400
\$403,550	\$512,450	\$82,048 + 32%	\$403,550
\$512,450	\$768,700	\$116,896 + 35%	\$512,450
\$768,700	—	\$206,583.50 + 37%	\$768,700
<b>UNMARRIED INDIVIDUAL</b>			
\$0	\$12,400	+ 10%	\$0
\$12,400	\$50,400	\$1,240 + 12%	\$12,400
\$50,400	\$105,700	\$5,800 + 22%	\$50,400
\$105,700	\$201,775	\$17,966 + 24%	\$105,700
\$201,775	\$256,225	\$41,024 + 32%	\$201,775
\$256,225	\$640,600	\$58,448 + 35%	\$256,225
\$640,600	—	\$192,979.25 + 37%	\$640,600
<b>MARRIED INDIVIDUAL FILING SEPARATELY</b>			
\$0	\$12,400	+ 10%	\$0
\$12,400	\$50,400	\$1,240 + 12%	\$12,400
\$50,400	\$105,700	\$5,800 + 22%	\$50,400
\$105,700	\$201,775	\$17,966 + 24%	\$105,700
\$201,775	\$256,225	\$41,024 + 32%	\$201,775
\$256,225	\$384,350	\$58,448 + 35%	\$256,225
\$384,350	—	\$103,291.75 + 37%	\$384,350
<b>HEAD OF HOUSEHOLD</b>			
\$0	\$17,700	+ 10%	\$0
\$17,700	\$67,450	\$1,770 + 12%	\$17,700
\$67,450	\$105,700	\$7,740 + 22%	\$67,450
\$105,700	\$201,750	\$16,155 + 24%	\$105,700
\$201,750	\$256,200	\$39,207 + 32%	\$201,750
\$256,200	\$640,600	\$56,631 + 35%	\$256,200
\$640,600	—	\$191,171 + 37%	\$640,600
<b>ESTATES AND TRUSTS (Maximum 15% long-term capital gain \$16,250)</b>			
\$0	\$3,300	+ 10%	\$0
\$3,300	\$11,700	\$330 + 24%	\$3,300
\$11,700	\$16,000	\$2,346 + 35%	\$11,700
\$16,000	—	\$3,851 + 37%	\$16,000

### Personal Tax Items<sup>1</sup>

- Personal exemptions repealed and an overall limitation on itemized deductions remains
- Medical expenses deductible above 7.5% AGI
- State, local, real estate taxes limited to \$40,400 (\$20,200 MFS); deduction phases out for taxpayers with MAGI over \$505,000 (\$252,500 MFS)
- Mortgage interest limited to \$750,000
- Casualty losses only allowed for federal disaster areas
- Theft losses, moving, and miscellaneous expenses subject to 2% floor permanently repealed
- Senior Deduction—For tax years beginning after December 31, 2024, and before January 1, 2029, a qualified individual is allowed to claim an additional \$6,000 deduction on their return
- Trump Accounts—A traditional individual retirement account (IRA) for children. Contributions of \$5,000 per calendar year made before the account beneficiary reaches age 18. One time payment by Treasury of \$1,000 for pilot program participants born between 1/1/25 and 12/31/28.

## Education Incentive

**Qualified Tuition Programs (Section 529 Plans)**—qualified distributions are tax-free and excluded from financial aid calculations. Expanded to include use for up to \$20,000 per year for K-12 elementary and secondary tuition, tuition for trades and apprenticeship programs, and to pay up to \$10,000 (lifetime limit) in student loan debt. Can also be rolled into 529 ABL accounts for those with special needs and up to \$35,000 (lifetime limit) may be rolled into a Roth IRA if certain requirements are met.

**Lifetime Learning Credit**—up to 20% of up to \$10,000 tuition paid, calculated per taxpayer. MAGI phaseout range:

- Married filing jointly \$160,000 – \$180,000
- Single \$80,000 – \$90,000

**American Opportunity Tax Credit**—100% on the first \$2,000 and 25% on the next \$2,000 of qualified tuition and related expenses. Up to 40% is refundable.

MAGI phaseout range:

- Married filing jointly \$160,000 – \$180,000
- Single \$80,000 – \$90,000

**Student Loan Interest**—Maximum Itemized Deduction \$2,500.

MAGI phaseout range:

- Married filing jointly \$175,000 – \$205,000
- Others \$85,000 – \$100,000

## Social Security

### Base Amount of Modified AGI Causing Social Security Benefits to Be Taxable

	50% TAXABLE	85% TAXABLE
Married Filing Jointly	\$32,000	\$44,000
Single	\$25,000	\$34,000

### Maximum Earnings Before Social Security Benefits Are Reduced

	2026
If under full retirement age, lose \$1 for every \$2 earned	\$24,480
In the year of retirement, lose \$1 for every \$3 earned in months prior to full retirement	\$65,160
At full retirement age	No Limit

### Maximum Compensation Subject to FICA Taxes

	2026
OASDI (Social Security) maximum	\$184,500
HI (Medicare) maximum	No Limit

**FICA tax:** OASDI tax rate: 6.2% employees, 6.2% employers. HI tax rate: 1.45% employees, 1.45% employers. 15.30% self-employed.

**Additional Medicare tax:** Additional 0.9% on total wages for household income over \$250,000 married filing jointly, \$125,000 married separately, and \$200,000 for others.

<sup>1</sup> Personal, estate, and business pass through tax changes that were once temporary are now permanent following the passage of the “One Big Beautiful Bill Act.”

<sup>2</sup> The Required Beginning Date for RMDs is generally April 1 of the year following the year the IRA owner reached the applicable age. The Applicable Age is determined based on the following:

IF YOU WERE BORN:	YOUR “APPLICABLE AGE” IS:
On or before June 30, 1949	70½
July 1, 1949 – 1950	72
1951 – 1959	73
1960 or later	75

<sup>3</sup> As of January 1, 2020, taxpayers who have earned income will be able to contribute to a traditional IRA regardless of age. This mirrors the current rules for Roth IRA contributions.

<sup>4</sup> A small employer is an employer with 25 or fewer employees or an employer with 26 to 100 employees if the employer either provides a 4% matching contribution or a 3% employer contribution, respectively.

<sup>5</sup> The budget legislation that includes the SECURE Act repealed the Kiddie Tax on unearned income at trust/estate rates and returned it to personal tax rates.

## Traditional and Roth IRAs

### Traditional and Roth Contribution Limits

	2026
Regular	\$7,500
Catch-Up*	\$1,100

\*Only taxpayers age 50 and over are eligible to make catch-up contributions.

### Roth Contribution Phaseout

MAGI phaseout range for contributions to Roth IRAs in 2026		
• Married filing jointly: \$242,000 – \$252,000	• Married filing separately: \$0 – \$10,000	• Single/HOH: \$153,000 – \$168,000

Roth contributions are permitted for SIMPLE and SEP IRAs per SECURE 2.0.

No annual income limit for determining ability to convert traditional IRA to Roth IRA.  
10% Saver's Credit AGI Limits: \$80,500 (MFJ); \$40,250 (S, MFS); \$60,375 (HOH).

### Traditional IRA Deductibility Rules<sup>3</sup>

FILING STATUS	COVERED BY EMPLOYER'S RETIREMENT PLAN?	MODIFIED AGI 2026	2026 DEDUCTIBILITY
Single	No	Any amount	Full deduction
		\$81,000 or less	Full deduction
	Yes	\$81,001 – \$90,999	Partial deduction
		\$91,000 or more	No deduction
Married Filing Jointly	Neither Spouse Covered	Any amount	Full deduction
	Both Spouses Covered	\$129,000 or less	Full deduction
		\$129,001 – \$148,999	Partial deduction
		\$149,000 or more	No deduction
	One Spouse Covered for Covered Spouse	\$129,000 or less	Full deduction
		\$129,001 – \$148,999	Partial deduction
		\$149,000 or more	No deduction
	One Spouse Covered for Non-Covered Spouse	\$242,000 or less	Full deduction
\$242,001 – \$251,999		Partial deduction	
\$252,000 or more		No deduction	

## Qualified Plans

	2026
Maximum elective deferral to retirement plans (e.g., 401(k), 403(b), and 457 plans, and SARSEPs)	\$24,500
Standard limit on elective deferral to SIMPLE 401(k) plans	\$17,000
Small Employer <sup>4</sup> limit on elective deferral to SIMPLE 401(k) plans	\$18,100
Annual compensation threshold requiring SEP contribution	\$800
Limit on annual additions to defined contribution and SEP plans	\$72,000
Maximum annual compensation taken into account for contributions	\$360,000
Annual benefit limit under defined benefit plans	\$290,000
Threshold amount for definition of highly compensated employee	\$160,000
Threshold amount for definition of key employee/officer in top-heavy plans	\$235,000

### Catch-Up Contribution Limits for Other Qualified Plan Types\*

	2026
Standard Limit for 401(k), 403(b), SARSEP, and 457 Plans	\$8,000
401(k), 403(b) and 457 Plan Limit for attained ages 60 - 63	\$11,250
SIMPLE Plans Standard Limit/Small Employer <sup>4</sup> Limit	\$4,000/\$3,850
SIMPLE Plan Increased Limit for ages 60 - 63	\$5,250

## Required Minimum Distributions (RMDs)<sup>2</sup>

### Uniform Lifetime Table

CURRENT AGE	DISTRIBUTION PERIOD	CURRENT AGE	DISTRIBUTION PERIOD
72	27.4	97	7.8
73	26.5	98	7.3
74	25.5	99	6.8
75	24.6	100	6.4
76	23.7	101	6.0
77	22.9	102	5.6
78	22.0	103	5.2
79	21.1	104	4.9
80	20.2	105	4.6
81	19.4	106	4.3
82	18.5	107	4.1
83	17.7	108	3.9
84	16.8	109	3.7
85	16.0	110	3.5
86	15.2	111	3.4
87	14.4	112	3.3
88	13.7	113	3.1
89	12.9	114	3.0
90	12.2	115	2.9
91	11.5	116	2.8
92	10.8	117	2.7
93	10.1	118	2.5
94	9.5	119	2.3
95	8.9	120+	2.0
96	8.4		

SECURE 2.0 reduced the excise tax for failure to take RMDs from 50% to 25%.

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