

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.

7. 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.

8. 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	\$3,777 + 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	Top Capital Gains Rate	
	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%

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

²Rate 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.

2025/2024 Tax Pocket Guide strength

Strategic focus
HAS NOTHING TO DO WITH ONE'S
eyesight.

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& ASSOCIATES, LLC

MEMBER, FINANCIAL CONSULTING GROUP

MONEYTALKSWETRANSLATE.COM*

216 16TH STREET, STE 850
DENVER, CO 80202
P: 303.486.0000
F: 303.486.0001

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	\$ 17,651 + 24%	\$ 103,350
\$ 197,300 – \$ 250,525	\$ 40,199 + 32%	\$ 197,300
\$ 250,525 – \$ 375,800	\$ 57,231 + 35%	\$ 250,525
\$ 375,800 and above	\$ 101,077 + 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	\$ 188,769 + 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	\$ 55,484 + 35%	\$ 250,500
\$ 626,350 and above	\$ 187,031 + 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