

CHIEF INVESTMENT OFFICE  
NATIONAL WEALTH STRATEGIES

# Annual Federal Limits Relating To Tax And Financial Planning 2025

All data, projections and opinions are as of July 28, 2025 and subject to change.

The tax information provided in this guide is a high-level summary of certain tax rules. The rules described below are highly complex and exceptions may apply. In using this guide, you should confirm with a tax advisor whether and how the rules noted below apply to your particular circumstances.

## Income, Retirement, Estate, Gift and Generation-Skipping Transfer (GST) Limits (as of July 2025)

### QUALIFIED PLANS

|   |           |
|---|-----------|
| Elective deferrals: 401(k), 403(b), 457(b) & SAR-SEPs <sup>1</sup>            | \$23,500  |
| <i>Catch-up contribution (50 or over any time in 2025)</i>                    | \$7,500   |
| <i>Additional catch-up contribution (reaching age 60–63 any time in 2025)</i> | \$3,750   |
| Defined contribution limit: 415(c)(1)(A)                                      | \$70,000  |
| Defined benefit limit: 415(b)(1)(A)   | \$280,000 |
| SIMPLE plans: 408(p)(2)(E)  | \$16,500  |
| <i>Catch-up contribution (50 or over any time in 2025)</i>                    | \$3,500   |
| <i>Additional catch-up contribution (reaching age 60–63 any time in 2025)</i> | \$1,750   |
| Maximum compensation: 401(a)(17), 404(l), 408(k)(3)(C), & 408(k)(6)(D)(ii)    | \$350,000 |
| Highly compensated employee threshold: 414(q)(1)(B)                           | \$160,000 |
| Key employee (top-heavy plan): 416(i)(1)(A)(i)                                | \$230,000 |
| Compensation threshold for SEP participation: 408(k)(2)(C)                    | \$750     |
| Individual Retirement Account (IRA) or Roth IRA contribution limit            | \$7,000   |
| <i>IRA or Roth IRA catch-up contribution (50 or over any time in 2025)</i>    | \$1,000   |

### TRADITIONAL IRA DEDUCTION PHASE-OUT

Active employer plan participants<sup>2</sup>

|                             |                     |
|-----------------------------|---------------------|
| Single or head of household | \$79,000–\$89,000   |
| Married filing jointly      | \$126,000–\$146,000 |
| Married filing separately   | \$0–\$10,000        |

Non-active employer plan participants<sup>2</sup>

|  |                     |
|--|---------------------|
| Married–joint (taxpayer's spouse participates)             | \$236,000–\$246,000 |
| Married filing separately (taxpayer's spouse participates) | \$0–\$10,000        |

### ROTH IRA CONTRIBUTION PHASE-OUT<sup>2</sup>

|                             |                     |
|-----------------------------|---------------------|
| Single or head of household | \$150,000–\$165,000 |
| Married filing jointly      | \$236,000–\$246,000 |
| Married filing separately   | \$0–\$10,000        |

### IRA QUALIFIED CHARITABLE DISTRIBUTION (QCD) (OWNER OVER 70.5)

|   |           |
|---|-----------|
| Annual QCD exclusion from adjusted gross income (AGI): 408(d)(8)(A) | \$108,000 |
|---|-----------|

### COVERDELL EDUCATION SAVINGS ACCOUNT ANNUAL CONTRIBUTION (PER BENEFICIARY)

|   |         |
|---|---------|
| Coverdell Education Savings Account annual contribution | \$2,000 |
|---|---------|

### COVERDELL EDUCATION SAVINGS ACCOUNT PHASE-OUT<sup>2</sup>

|                                      |                     |
|--------------------------------------|---------------------|
| Phase-out for married filing jointly | \$190,000–\$220,000 |
| Phase-out for other                  | \$95,000–\$110,000  |

### EE BONDS FOR EDUCATION — PHASE-OUT OF EXCLUSION<sup>2</sup>

|                        |                     |
|------------------------|---------------------|
| Married filing jointly | \$149,250–\$179,250 |
| All others             | \$99,500–\$114,500  |

### ESTATE, GIFT & GST TAX

|  |              |
|--|--------------|
| Annual gift tax exclusion                          | \$19,000     |
| Annual non-US citizen spouse gift tax exclusion    | \$190,000    |
| Estate/generation skipping/lifetime gift exemption | \$13,990,000 |
| Maximum marginal transfer tax rates                | 40%          |

### REPORTING LEVELS — FOREIGN GIFTS RECEIVED BY US PERSON (§6039F)

|  |           |
|--|-----------|
| From nonresident aliens (NRA) or foreign estate (see IRS Notice 97-34) | \$100,000 |
| From foreign corporation or partnership                                | \$20,116  |

### SOCIAL SECURITY (SS) (PAYROLL TAXES)

|   |                 |
|---|-----------------|
| SS taxable wage base                                | \$176,100       |
| SS tax rate (OASDI & HI)–employee <sup>3</sup>      | 6.2%/1.45%/0.9% |
| SS tax rate (OASDI & HI)–self employed <sup>4</sup> | 12.4%/2.9%/0.9% |
| Earnings required for a quarter of coverage         | \$1,810         |
| Max monthly benefit at full retirement age          | \$4,018         |

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## Income, Retirement, Estate, Gift and Generation-Skipping Transfer (GST) Limits (as of July 2025)

### INCOME TAX EXEMPTIONS AND DEDUCTIONS

|  |  |
|--|--|
| Personal exemption amount <sup>5</sup> .....                             | N/A  |
| Senior exemption amount <sup>5</sup> .....                               | -\$6,000   |
| Standard deduction <sup>5</sup>  |  |
| Married filing jointly .....   | \$31,500   |
| Head of household .....  | \$23,625   |
| Single and married filing separately .....                               | \$15,750   |
| Individual who may be claimed as dependent of another <sup>6</sup> ..... | Greater of \$1,350<br>or earned income + \$450<br>but not more than \$15,750 |
| Elderly or blind additional deduction                                    |  |
| Single or head of household and not a surviving spouse .....             | \$2,000  |
| Married (joint or separate, per spouse) .....                            | \$1,600  |
| Foreign earned income exclusion  | \$130,000  |

### MAXIMUM MARGINAL ORDINARY INCOME TAX RATE

|   |     |
|---|-----|
| Maximum marginal ordinary income tax rate | 37% |
|---|-----|

### MAXIMUM ALTERNATIVE MINIMUM TAX RATE

|   |     |
|---|-----|
| Maximum alternative minimum tax rate <sup>7</sup> | 28% |
|---|-----|

### ALTERNATIVE MINIMUM TAX (AMT)

|   | Exemption | Phase-out <sup>8</sup>  |
|---|-----------|-------------------------|
| Single & head of household  | \$88,100  | \$626,350–\$978,750     |
| Married filing jointly & surviving spouse                                       | \$137,000 | \$1,252,700–\$1,800,700 |
| Married filing separately   | \$68,500  | \$626,350–\$900,350     |
| Trusts & estates  | \$30,700  | \$102,500–\$225,300     |
| Child subject to kiddie tax (but not more than \$9,550 + child's earned income) | \$88,100  | \$626,350–\$978,750     |

### QBI TAXABLE INCOME THRESHOLD PHASE-OUT: IRC §199A(B)(3)(B)

|   |                       |
|---|-----------------------|
| Married filing jointly & surviving spouse | \$394,600–\$494,600   |
| Single & head of household                | \$197,300 – \$247,300 |
| Married filing separately                 | \$197,300 – \$247,300 |

Capital gains rate applicable to the extent a taxpayer's taxable income does not exceed the indicated amounts:

### FILING STATUS

|                           | 0% at or below | 15% at or below | 20% if over |
|---------------------------|----------------|-----------------|-------------|
| Married filing jointly    | \$96,700       | \$600,050       | \$600,050   |
| Head of household         | \$64,750       | \$566,700       | \$566,700   |
| Single                    | \$48,350       | \$533,400       | \$533,400   |
| Married filing separately | \$48,350       | \$300,000       | \$300,000   |
| Estates and trusts        | \$3,250        | \$15,900        | \$15,900    |

### INVESTMENT SURTAX OF 3.8% MAY APPLY AFTER MAGI EXCEEDS<sup>9</sup>

|  |           |
|--|-----------|
| Single, head of household                      | \$200,000 |
| Married filing jointly or qualifying widow(er) | \$250,000 |
| Married filing separately                      | \$125,000 |
| Estates and trusts                             | \$15,200  |

## Social Security, Medicare and Other Benefit Limits (as of July 2025)

### SOCIAL SECURITY BENEFITS

|   |          |
|---|----------|
| Benefits reduction threshold for earned income <sup>10</sup>  |          |
| Before year of full retirement age (\$1 for \$2)–annual ..... | \$23,400 |
| Year of full retirement age (\$1 for \$3)–pro-rated .....     | \$62,160 |
| Month of full retirement age and thereafter .....             | \$0      |
| Social security cost-of-living adjustment                     | 2.5%     |

### MEDICAL SAVINGS ACCOUNT (ARCHER MSA-§220)<sup>11</sup>

|  |                    |
|--|--------------------|
| High deductible health plan (HDHP)-min annual deductible–self/family | \$2,850/\$5,700    |
| HDHP-max annual deductible–self/family                               | \$4,300/\$8,550    |
| Max annual out-of-pocket–self/family                                 | \$5,700/\$10,500   |
| Max annual deductible contribution–self/family                       | \$2,795/\$6,412.50 |

### HEALTH SAVINGS ACCOUNT (HSA-§223)

|   |                  |
|---|------------------|
| HDHP-min annual deductible–self/family                            | \$1,650/\$3,300  |
| HDHP-max annual out-of-pocket–self/family                         | \$8,300/\$16,600 |
| Max annual contribution–self/family                               | \$4,300/\$8,550  |
| Catch up contribution (turn age 55 or older during calendar year) | \$1,000          |

### MEDICARE — PREMIUMS

|                                       |                 |
|---------------------------------------|-----------------|
| Monthly premium: Part A <sup>12</sup> | \$285–\$518     |
| Monthly premium: Part B <sup>13</sup> | \$185–\$628.90  |
| Monthly premium: Part D <sup>14</sup> | \$13.70–\$85.80 |

### LONG TERM CARE (LTC) PER DIEM LIMIT ON TAX-FREE BENEFITS (§7702B)

|  |       |
|--|-------|
| LTC per diem limit on tax-free benefits (§7702B) | \$420 |
|--|-------|

### LIMIT ON LTC PREMIUM INCLUDIBLE AS “MEDICAL CARE”

|                                   |         |
|-----------------------------------|---------|
| Age 40 or less                    | \$480   |
| More than 40 but not more than 50 | \$900   |
| More than 50 but not more than 60 | \$1,800 |
| More than 60 but not more than 70 | \$4,810 |
| More than 70                      | \$6,020 |

### MEDICARE — BENEFITS

#### Part A

|  |         |
|--|---------|
| First 60 days—patient pays a deductible .....                            | \$1,676 |
| Next 30 days—patient pays per day .....                                  | \$419   |
| Maximum of an additional 60 days (per day) (lifetime reserve days) ..... | \$838   |

#### Skilled nursing benefits

|  |           |
|--|-----------|
| First 20 days—patient pays per day ..... | \$0       |
| Next 80 days—patient pays per day .....  | \$209.50  |
| Over 100 days—patient pays per day ..... | All costs |

#### Part B

|                             |       |
|-----------------------------|-------|
| Deductible (per year) ..... | \$257 |
| Co-insurance .....          | 20%   |

- <sup>1</sup> Salary Reduction Simplified Employee Pension.
- <sup>2</sup> Phase out begins if modified adjusted gross income (MAGI) exceeds the lower number. Complete phase-out is reached when MAGI exceeds the upper number.
- <sup>3</sup> This consists of as many as three parts: 6.2% for Old-Age, Survivors, and Disability Insurance, 1.45% for Hospital Insurance, and a Medicare surtax of 0.9%. The first part (6.2%) applies only to the \$176,100 wage base; the second part (1.45%) applies to every dollar of wages; the third part (0.9%) applies to all wages above the following thresholds: \$250,000 (married filing jointly), \$200,000 (single and head of household), \$125,000 (married filing separately).
- <sup>4</sup> This consists of as many as three parts: 12.4% for Old-Age, Survivors, and Disability Insurance, 2.9% for Hospital Insurance, and a Medicare surtax of 0.9%. The first part (12.4%) applies only to the \$176,100 self-employment base; the second part (2.9%) applies to every dollar of self-employment income; the third part (0.9%) applies to all self-employment income above the following thresholds: \$250,000 (married filing jointly), \$200,000 (single and head of household), \$125,000 (married filing separately).
- <sup>5</sup> The personal exemption has been effectively combined with the standard deduction for tax years 2018 and thereafter. For tax years 2025 through 2028, taxpayers who have attained age 65 are eligible for a \$6,000 non-itemized senior deduction. The deduction will begin to phase-out at modified adjusted gross income of \$75,000 for individuals (\$150,000 for couples).
- <sup>6</sup> A child subject to the kiddie tax will not be subject to tax on the first \$1,350 of unearned income; will be taxed on the next \$1,350 of unearned income at his or her own tax rate; and any additional unearned income taxed at the parent's top marginal tax rate.
- <sup>7</sup> A lower AMT tax rate of 26% applies to married individuals filing separately with alternative minimum taxable income less than \$119,550 and \$239,100 for all others (married filing jointly, single, head of household, surviving spouse, estates and trusts).
- <sup>8</sup> The AMT exemption is reduced by 25% of AMTI in excess of the lower amount indicated until the higher amount is reached.
- <sup>9</sup> Surtax Rate of 3.8% applies to the lesser of (1) net investment income; or (2) MAGI in excess of the amounts shown.
- <sup>10</sup> Full retirement age is 65 for those born in 1937 or earlier and age 67 for those born in 1960 or later. If you were born in between 1937 and 1960, full retirement age is between age 65 and 67 per Social Security rules. See <http://www.ssa.gov/retire2/retirechart.htm>.
- <sup>11</sup> Archer MSAs were discontinued, so that generally no new Archer MSAs can be established after 2007, but Archer MSAs created before then may continue with the limitations indicated. For taxpayers with an HDHP deductible below the annual maximum (\$4,300 and \$8,550 for self and family, respectively), the maximum annual contribution will be 65% (self) or 75% (family) of the taxpayer's annual deductible under the individual's HDHP coverage.
- <sup>12</sup> Most do not pay this premium for Part A. For details, see <http://www.medicare.gov/your-medicare-costs/>.
- <sup>13</sup> Married couples filing jointly with 2023 modified AGI up to \$212,000 (singles and married persons filing separately up to \$106,000) pay \$185 monthly (up from \$174.70 last year), while those with higher incomes pay gradually higher premiums up to a maximum of \$628.90 monthly for married filing jointly with income \$750,000 and above (singles \$500,000 and above and married filing separately \$394,000 and above).
- <sup>14</sup> In addition to whatever monthly plan premium you pay to your chosen Part D coverage provider, if your MAGI is above a certain limit, you may pay a Part D income-related monthly adjustment amount. Married couples filing jointly with annual MAGI above \$212,000 (singles and married persons filing separately above \$106,000) will pay an additional income-related adjustment (\$13.70 for singles and married filing jointly, and \$78.60 for those married filing separately), while those with higher MAGIs pay gradually higher additional premiums up to a maximum of \$85.80 monthly for married filing jointly with MAGI \$750,000 and above (singles \$500,000 and above, and married filing separately \$394,000 and above).

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