2026 Tax Reference Guide

Key Federal Tax Numbers for Individuals, Families & Business Owners

WaFd Wealth Management

Ordinary Income Tax Brackets

Rate	Single	Head of Household	Married Filing Jointly	Married Filing Separately
10%	$0 – $12,400	$0 – $17,700	$0 – $24,800	$0 – $12,400
12%	$12,401 – $50,400	$17,701 – $67,450	$24,801 – $100,800	$12,401 – $50,400
22%	$50,401 – $105,700	$67,451 – $105,700	$100,801 – $211,400	$50,401 – $105,700
24%	$105,701 – $201,775	$105,701 – $201,775	$211,401 – $403,550	$105,701 – $201,775
32%	$201,776 – $256,225	$201,776 – $256,200	$403,551 – $512,450	$201,776 – $256,225
35%	$256,226 – $640,600	$256,201 – $640,600	$512,451 – $768,700	$256,226 – $384,350
37%	$640,601+	$640,601+	$768,701+	$384,351+

Standard deduction: $16,100 (Single) • $16,100 (MFS) • $32,200 (MFJ) • $24,150 (Head of Household). Additional standard deduction for age 65+: $2,050 (Single/MFS) • $1,650 per qualifying spouse (MFJ). A separate temporary $6,000 senior deduction (per qualifying person 65+) applies on top of this, phasing out at $75,000 MAGI (Single) / $150,000 (MFJ).

Long-Term Capital Gains & Qualified Dividends

Rate	Single	Head of Household	Married Filing Jointly	Married Filing Separately
0%	$0 – $49,450	$0 – $66,200	$0 – $98,900	$0 – $49,450
15%	$49,451 – $545,500	$66,201 – $579,600	$98,901 – $613,700	$49,451 – $306,850
20%	$545,501+	$579,601+	$613,701+	$306,851+

Net Investment Income Tax (NIIT) of 3.8% may also apply to net investment income for taxpayers with MAGI above $200,000 (Single) / $250,000 (MFJ) / $125,000 (MFS) — these thresholds are not inflation-adjusted.

Kiddie Tax — Unearned Income of a Child

A child's unearned income (interest, dividends, and capital gains) is taxed in three tiers for 2026: the first $1,350 is tax-free; the next $1,350 is taxed at the child's own rate; anything above $2,700 is taxed at the parent's marginal rate. Applies to children under 19, and full-time students under 24, who don't cover more than half their own support with earned income. Parents may elect to report a child's income directly (Form 8814) if it is between $1,350 and $13,500 and consists only of interest, dividends, and capital gain distributions.

Tax Deductions & Credits (No Itemizing Required)

Deduction / Credit	2026 Amount	Phase-Out / Notes
Child Tax Credit	**Up to $2,200/child ($1,700 refundable)**	Phases out above $200,000 MAGI (Single) / $400,000 (MFJ)
Earned Income Tax Credit	**$664 – $8,231**	Based on income and number of qualifying children
Non-Itemizer Charitable Deduction	**$1,000 (Single) / $2,000 (MFJ)**	New for 2026; available even when claiming the standard deduction
QBI (Sec. 199A) Deduction	**20% of qualified business income**	Phase-in begins at $201,775 (Single) / $403,500 (MFJ) taxable income
Senior Deduction (Age 65+)	**$6,000 per qualifying person**	Temporary, 2025–2028; phases out above $75,000 (Single) / $150,000 (MFJ) MAGI
HSA Contributions	**Fully deductible above-the-line**	If not made through payroll — see Retirement Plan Limits, page 2, for amounts

Itemized Deduction Limits

Deduction	2026 Limit	Phase-Out / Notes
SALT Deduction Cap	**$40,400 ($20,200 MFS)**	Phases down 30% of MAGI above $505,000, floored at $10,000; reverts to $10,000 for all filers in 2030 absent new legislation
Mortgage Interest	**Debt up to $750,000 ($375,000 MFS)**	Home equity interest deductible only if used to buy, build, or substantially improve the home
Charitable Contributions (cash, to public charities)	**Up to 60% of AGI**	A new 0.5%-of-AGI floor applies to itemized charitable deductions starting in 2026

Itemizers in the top 37% bracket face an additional limitation: total itemized deductions are reduced by 2/37 of the lesser of total itemized deductions or taxable income above the 37% bracket threshold.

Medical & Dental Expense Deduction

Adjusted Gross Income	7.5% AGI Threshold	Deductible Amount if $30,000 in Expenses Paid
$75,000	$5,625	$24,375
$150,000	$11,250	$18,750

Retirement, Gift/Estate & Benefit Program Limits

Retirement Plan Contribution Limits

Employer-Sponsored Plans

Account / Provision	2026 Limit
401(k) / 403(b) / 457 / TSP — employee deferral	$24,500
Catch-up contribution (age 50+)	$8,000
"Super" catch-up (ages 60–63)	$11,250
Overall defined contribution plan limit (Sec. 415(c), employee + employer)	$72,000
SIMPLE IRA/401(k) — standard deferral	$17,000
SIMPLE — higher applicable-plan deferral	$18,100
SIMPLE catch-up (age 50+)	$4,000
SIMPLE "super" catch-up (ages 60–63)	$5,250
HSA contribution — self-only coverage	$4,400
HSA contribution — family coverage	$8,750
HSA catch-up contribution (age 55+)	$1,000

Employer-plan contribution limits do not vary by filing status. The $72,000 overall limit is the lesser of that amount or 100% of compensation, and stacks with age-based catch-up contributions (up to $83,250 for ages 60–63). HSA eligibility is based on high-deductible health plan coverage type, not filing status.

Traditional & Roth IRAs

Account / Provision	2026 Limit
Contribution limit (combined, all filers)	$7,500
Catch-up contribution (age 50+)	$1,100

Traditional IRA Deduction Phase-Out (if covered by a workplace plan)

Filing Status	2026 MAGI Phase-Out
Single / Head of Household	$81,000 – $91,000
Married Filing Jointly (covered spouse)	$129,000 – $149,000
MFJ (contributing spouse not covered, other spouse is)	$242,000 – $252,000
Married Filing Separately	$0 – $10,000

Roth IRA Contribution Phase-Out

Filing Status	2026 MAGI Phase-Out
Single / Head of Household	$153,000 – $168,000
Married Filing Jointly	$242,000 – $252,000
Married Filing Separately	$0 – $10,000

Saver's Credit Income Limit

Filing Status	2026 Limit
Single / Married Filing Separately	$40,250
Head of Household	$60,375
Married Filing Jointly	$80,500

If neither spouse is covered by a workplace plan, the traditional IRA deduction has no income phase-out. MFS phase-outs assume the spouses lived together at any point during the year.

Gift, Trust & Estate Tax

Annual Gift Tax Exclusion
$19,000 per recipient ($38,000 for spouses electing to split gifts). $194,000 for gifts to a non-citizen spouse.

Estate & Lifetime Gift Exemption
$15,000,000 per person ($30,000,000 per married couple), made permanent and indexed for inflation under the OBBBA.

GST Tax Exemption
$15,000,000 per person, aligned with the estate and gift tax exemption.

Top estate, gift, and GST tax rate remains 40% above the applicable exemption.

Trust & Estate Ordinary Income Tax Rates & Brackets

Rate	2026 Taxable Income
10%	$0 – $3,300
24%	$3,300 – $11,700
35%	$11,700 – $16,000
37%	$16,000+

Trust/estate AMT exemption: $31,400. The 3.8% Net Investment Income Tax also applies to undistributed net investment income above $16,000. Distributing income to beneficiaries shifts the tax to their (often lower) individual brackets.

Annual & Lifetime Gifting Limits

Provision	2026 Amount
Annual exclusion, per recipient	$19,000
Annual exclusion, gift-splitting (married couple)	$38,000
Annual exclusion to non-citizen spouse	$194,000
5-year 529 "superfunding" election (per donor)	$95,000
Lifetime gift/estate exemption, per person	$15,000,000
Lifetime exemption, married couple (with portability)	$30,000,000
GST exemption, per person	$15,000,000

Direct payments of tuition or medical expenses to the institution or provider are excluded from gift tax with no dollar limit, separate from the annual exclusion.

Social Security & Medicare

Key 2026 Figures

Provision	2026
Cost-of-living adjustment (COLA)	2.8%
Maximum taxable earnings (wage base)	$184,500
Max monthly benefit at full retirement age	$4,152
Earnings limit, under full retirement age	$24,480
Earnings limit, year reaching FRA	$65,160
Full retirement age (born 1960 or later)	67

Taxation of Social Security Benefits

Filing Status	0% Taxable	Up to 50% Taxable	Up to 85% Taxable
Single / Head of Household	Below $25,000	$25,000 – $34,000	Above $34,000
Married Filing Jointly	Below $32,000	$32,000 – $44,000	Above $44,000
Married Filing Separately (lived with spouse)		N/A	Any amount above $0

These thresholds are fixed by statute and have not been adjusted for inflation since 1984 (50% tier) and 1993 (85% tier). No more than 85% of Social Security benefits is ever subject to federal income tax, regardless of income.

Medicare

Part A — Hospital Insurance

Provision	2026
Premium — 40+ work quarters	$0 (premium-free)
Premium — 30–39 work quarters	$311/month
Premium — fewer than 30 quarters	$565/month
Inpatient hospital deductible (per benefit period)	$1,736
Hospital coinsurance, days 1–60	$0
Hospital coinsurance, days 61–90	$434/day
Lifetime reserve days (60 total, one-time use)	$868/day
Beyond lifetime reserve days	All costs
Skilled nursing facility, days 1–20	$0
Skilled nursing facility, days 21–100	$217/day
Skilled nursing facility, day 101+	All costs

A benefit period begins the day of hospital/SNF admission and ends after 60 consecutive days without inpatient care. Most beneficiaries qualify for premium-free Part A based on their own or a spouse's work history.

Part B — Medical Insurance

Provision	2026
Standard monthly premium	$202.90
Annual deductible	$283
Coinsurance (after deductible)	20% of approved amount
Higher-income surcharge (IRMAA)	See chart, page 4

Applies to doctor visits, outpatient care, durable medical equipment, and preventive services. Most beneficiaries have the premium deducted directly from their Social Security check.

Part D — Prescription Drug Coverage

Provision	2026
Average monthly premium (varies by plan)	$34.50
Maximum standard deductible	$615
Initial coverage phase coinsurance	~25% of drug cost
Annual out-of-pocket threshold	$2,100
Cost-sharing after threshold (catastrophic)	$0
Coverage gap ("donut hole")	Eliminated since 2025
Higher-income surcharge (IRMAA)	See chart, page 4

Once out-of-pocket spending on covered drugs reaches $2,100, the plan pays 100% of costs for the rest of the year. Actual plan premiums range from about $0 to $100+ per month depending on the plan and formulary.

Medicare (continued)

Medicare IRMAA — Part B Premium & Part D Surcharge by Income

Tier	2024 MAGI — Single	2024 MAGI — Married Filing Jointly	Total Part B Premium/mo	Part D Surcharge/mo
Base	$109,000 or less	$218,000 or less	$202.90	$0
Tier 1	$109,001 – $137,000	$218,001 – $274,000	$284.10	$14.50
Tier 2	$137,001 – $171,000	$274,001 – $342,000	$405.80	$37.50
Tier 3	$171,001 – $205,000	$342,001 – $410,000	$527.50	$60.40
Tier 4	$205,001 – $499,999	$410,001 – $749,999	$649.20	$83.30
Tier 5	$500,000 or more	$750,000 or more	$689.90	$91.00

IRMAA is charged per Medicare beneficiary, not per household — if both spouses are enrolled, each pays the surcharge shown. Married taxpayers filing separately who lived with their spouse at any point during the year face a compressed schedule: the standard premium applies at or below $109,000 MAGI, then jumps directly to the Tier 4 premium ($649.20 Part B / $83.30 Part D) above $109,000, and to the Tier 5 premium at $391,000 or more.

Important Information

This 2026 Tax Reference Guide is provided for general educational and reference purposes only. It reflects a summary of selected federal tax provisions believed to be accurate as of September 2026, including inflation adjustments and changes enacted under the One Big Beautiful Bill Act (OBBBA). Figures are subject to change, some provisions are estimated pending final IRS guidance, and this guide does not address state or local tax rules. **This material does not constitute personalized investment, tax, or legal advice, and nothing in this guide should be construed as a recommendation to buy, sell, or hold any security or to pursue any particular tax strategy. Your individual circumstances may differ, and you should consult a qualified tax advisor or attorney regarding your specific situation before making any tax-related decisions.**

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