

# 2026 Tax fact sheet

A quick reference guide as you prioritize your after-tax growth potential

## Earned income, ordinary income, and short-term capital gains tax rates

Income levels in \$

Marginal tax rate	Single	Head of Household	Married Filing Jointly	Married Filing Separately
10%	0 to 12,400	0 to 17,700	0 to 24,800	0 to 12,400
12%	12,400 to 50,400	17,700 to 67,450	24,800 to 100,800	12,400 to 50,400
22%	50,400 to 105,700	67,450 to 105,700	100,800 to 211,400	50,400 to 105,700
24%	105,700 to 201,775	105,700 to 201,775	211,400 to 403,550	105,700 to 201,775
32%	201,775 to 256,225	201,775 to 256,200	403,550 to 512,450	201,775 to 256,225
35%	256,225 to 640,600	256,200 to 640,600	512,450 to 768,700	256,225 to 384,350
37%	640,600 or more	640,600 or more	768,700 or more	384,350 or more

<b>Standard deduction*</b>	16,100	24,150	32,200	16,100
----------------------------	--------	--------	--------	--------

\* For single or head of household filers, the standard deduction increases by \$2,050 if you are age 65 or older or blind (\$4,100 if both). For married couples, it increases by \$1,650 for each spouse who is 65+ or blind (e.g., \$3,300 if one spouse is both).

**Note:** Seniors age 65+ may also qualify for a “bonus deduction” of up to \$6,000, with eligible joint filers able to claim up to \$12,000. This deduction is subject to an income phase-out, reduced by \$0.06 per \$1 of income exceeding the modified adjusted gross income (MAGI)<sup>1</sup> limits of \$75,000 (single/head of household) or \$150,000 (joint). This deduction is fully phased out for those with MAGI over \$175,000 (single/head of household) or \$250,00 (joint), and is not available for married couples filing separately.

## Long-term capital gains and qualified dividend tax rates

Income levels in \$

Maximum tax rate	Single	Head of Household	Married Filing Jointly	Married Filing Separately
0%	0 to 49,450	0 to 66,200	0 to 98,900	0 to 49,450
15%	49,450 to 545,500	66,200 to 579,600	98,900 to 613,700	49,450 to 306,850
20%	545,500 or more	579,600 or more	613,700 or more	306,850 or more

<b>3.8% surtax** threshold</b>	200,000	200,000	250,000	125,000
--------------------------------	---------	---------	---------	---------

\*\* Some investment income may be subject to a 3.8% surtax. The tax is applied to the lesser of: 1) Net investment income or 2) the amount of modified adjusted gross income (MAGI)<sup>1</sup> that exceeds these thresholds. Net investment income includes “passive” sources of income such as taxable interest, dividends, realized capital gains, annuities, royalties, and rental income.

Source: IRS, UBS. <sup>1</sup>MAGI is computed using different rules depending on the eligibility criteria of the tax credit, deduction, or program. For more details, visit the IRS’s website [here](#).

This educational report has been prepared by UBS Financial Services, Inc.

Please see important information and disclosures at the end of the document.

The authors of this marketing document transitioned from CIO Research to Global Investment Management on 1 July 2025. This document constitutes sales and education content, not a research report, and it is not developed or held to the standards applicable to independent research.

## Additional Medicare tax

Earned income thresholds in \$

Tax rate	Single	Head of Household	Married Filing Jointly	Married Filing Separately
0.9%	200,000	200,000	250,000	125,000

**Note:** The 0.9% surtax applies to wages, railroad retirement compensation, and self-employment income over the thresholds.

## Alternative minimum tax rates and exemption

Income amounts in \$

Marginal tax rate	Single or Head of Household	Married Filing Jointly	Married Filing Separately
26%	0 to 244,500	0 to 244,500	0 to 122,250
28%	244,500+	244,500+	122,250+
<b>Exemption amount</b>	90,100	140,200	70,100
<b>(phaseout threshold)</b>	(500,000 to 680,200)	(1,000,000 to 1,280,400)	(500,000 to 640,200)

## Gift and estate tax

Amounts in \$

	Unmarried	Married	<b>Note:</b> Some states impose a state-level estate and/or inheritance tax. The top state-level estate tax rate is 35%, and state-level taxes can affect estates as small as \$1 million.
<b>Gift tax annual exclusion</b>	19,000 per recipient	38,000 per recipient	
<b>Lifetime unified gift and estate tax exemption</b>	15,000,000	30,000,000	
<b>Maximum federal gift and estate tax rate</b>	40%	40%	

## Social Security

Amounts in \$

Wage base limit	Earnings test exemption (below FRA)	Earnings test exemption (at FRA)
184,500	24,480	65,160

**Note:** The Old-Age, Survivors, and Disability Insurance (OASDI) tax—commonly called “the Social Security tax”—is based on a worker’s earned income. This 12.4% tax (6.2% paid by the employee, 6.2% paid by the employer) only applies to earned income up to the “wage base”. There is also a Medicare withholding tax of 2.9% (1.45% paid by the employee, 1.45% paid by the employer)—this tax applies to all earned income (no wage base limit).

For workers receiving Social Security benefits before reaching full retirement age (FRA), Social Security applies a “retirement earnings test” and withholds benefits based on “excessive” income in the years leading up to FRA. The test does not count “passive” income sources such as capital gains, dividends, interest income, or retirement plan distributions.

For individuals younger than their FRA, Social Security withholds \$1 for every \$2 of income exceeding the exemption amount. For individuals attaining FRA in the year of the earnings test, Social Security withholds \$1 for every \$3 of income exceeding the exemption amount.

Source: IRS, CMS, UBS. <sup>1</sup>MAGI is computed using different rules depending on the eligibility criteria of the tax credit, deduction, or program. For more details, visit the IRS’s website [here](#).

## Retirement account contribution limits

Amounts in \$

Account type	Contribution type	Annual limit
Traditional IRA/Roth IRA*	Maximum regular contribution**	7,500
	Catch-up contribution for individuals 50+	1,100
401(k), 403(b), and 457 plans	Maximum elective deferral	24,500
	Catch-up contributions for individuals ages 50-59 or 64 and older	8,000
	Catch-up contributions for individuals ages 60-63	11,250
	Annual additions to defined contribution plans (employee + employer contributions)	72,000
	Maximum annual compensation considered for contributions	360,000

\*The ability to contribute to a Roth IRA is affected by modified adjusted gross income (MAGI).<sup>1</sup>

\*\*The maximum regular contribution (and the catch-up contribution, if applicable) is the total contributions an individual can make to all of their Traditional IRAs and Roth IRAs for 2026.

## Phaseout range for deductible contributions to Traditional IRAs for individuals covered by a retirement plan

If an individual or one part of a couple is covered by a workplace retirement plan, the ability to deduct Traditional IRA contributions is affected by MAGI.<sup>1</sup> MAGI phaseout ranges in \$.

Filing status	Deductibility phaseout for Traditional IRAs
<b>Married filing jointly (MFJ)</b>	129,000 – 149,000
MFJ when only one spouse is covered by a qualified plan	242,000 – 252,000
<b>Married filing separately (MFS)</b>	0 – 10,000
MFS and you did not live with your spouse at any time during the year	81,000 – 91,000
<b>Single or Head of Household</b>	81,000 – 91,000

## Phaseout range for eligibility to contribute to a Roth IRA

The amount an individual can contribute to a Roth IRA is affected by their MAGI.<sup>1</sup> MAGI phaseout ranges in \$.

Filing status	Contribution phaseout for Roth IRAs
<b>Married filing jointly (MFJ)</b>	242,000 – 252,000
<b>Married filing separately (MFS)</b>	0 – 10,000
*If MFS and you did not live with your spouse at any time during the year	*153,000 – 168,000
<b>Single or Head of Household</b>	153,000 – 168,000

Source: IRS, UBS. <sup>1</sup>MAGI is computed using different rules depending on the eligibility criteria of the tax credit, deduction, or program. For more details, visit the IRS's website [here](#).

## Medicare Part B and D premiums

Income-related monthly adjustment amount (IRMAA) based on modified adjusted gross income (MAGI)<sup>1</sup> from two years prior. Part B and Part D premiums (in \$) are paid by each spouse.

Income in 2024 (2025 tax return)		2026 Part B premiums	2026 Part D premiums
Individual tax return	Joint tax return	Annual cost (standard premium + IRMAA)	Annual cost (plan premium + IRMAA)
0 to 109,000	0 to 218,000	2,434.80	plan premium
109,000 to 137,000	218,000 to 274,000	3,409.20	+ 174.00
137,000 to 171,000	274,000 to 342,000	4,869.60	+ 450.00
171,000 to 205,000	342,000 to 410,000	6,330.00	+ 724.80
205,000 to 500,000	410,000 to 750,000	7,790.40	+ 999.60
500,000 and above	750,000 and above	8,278.80	+ 1,092.00

Source: CMS, IRS, UBS. <sup>1</sup>MAGI is computed using different rules depending on the eligibility criteria of the tax credit, deduction, or program. For more details, visit the IRS's website [here](#).

## Additional resources

- [Where should I put my savings? 2026 Savings waterfall worksheet](#), published on 11 December 2025
- [Managing taxes with a "spending waterfall"](#), published on 25 June 2025
- [Beyond RMDs: Strategies for IRA owners and beneficiaries](#), published on 26 February 2025



# Important Information and Disclosures

**About the Authors:** The authors of this marketing document transitioned from CIO Research to Global Investment Management on 1 July 2025. This document constitutes sales and education content, not a research report, and it is not developed or held to the standards applicable to independent research.

**Purpose of this document:** This report is provided for informational and educational purposes only. It should be used solely for the purposes of discussion with your UBS Financial Advisor and your independent consideration. UBS does not intend this to be fiduciary or best interest investment advice or a recommendation that you take a particular course of action.

**Personalized recommendations or advice:** If you would like more details about any of the information provided, or personalized recommendations or advice, please contact your UBS Financial Advisor.

**Conflicts of interest:** UBS Financial Services Inc. is in the business of establishing and maintaining investment accounts (including retirement accounts) and we will receive compensation from you in connection with investments that you make, as well as additional compensation from third parties whose investments we distribute. This presents a conflict of interest when we recommend that you move your assets to UBS from another financial institution or employer retirement plan, and also when we make investment recommendations for assets you hold at, or purchase through, UBS. For more information on how we are compensated by clients and third parties, conflicts of interest and investments available at UBS please refer to the 'Your relationship with UBS' booklet provided at [ubs.com/relationshipwithubs](https://ubs.com/relationshipwithubs), or ask your UBS Financial Advisor for a copy.

**Important information about brokerage and advisory services:** As a firm providing wealth management services to clients, UBS Financial Services Inc. offers investment advisory services in its capacity as an SEC-registered investment adviser and brokerage services in its capacity as an SEC-registered broker-dealer. Investment advisory services and brokerage services are separate and distinct, differ in material ways and are governed by different laws and separate arrangements. It is important that you understand the ways in which we conduct business and that you carefully read the agreements and disclosures that we provide about the products or services we offer. For more information, please review client relationship summary provided at [ubs.com/relationshipsummary](https://ubs.com/relationshipsummary).

**Important additional information applicable to retirement plan assets (including assets eligible for potential rollover, distribution or conversion):** This information is provided for educational and discussion purposes and are not intended to be fiduciary or best interest investment advice or a recommendation that you take a particular course of action (including to roll out, distribute or transfer retirement plan assets to UBS). UBS does not intend (or agree) to act in a fiduciary capacity under ERISA or the Code when providing this educational information. Moreover, a UBS recommendation as to the advisability of rolling assets out of a retirement plan is only valid when made in a written UBS Rollover Recommendation Letter to you provided by your UBS Financial Advisor after a review of detailed information that you provide about your plan and that includes the reasons the rollover is in your best interest. UBS and your UBS Financial Advisor do not provide rollover recommendations verbally.

With respect to plan assets eligible to be rolled over or distributed, you should review the IRA Rollover Guide UBS provides at [ubs.com/irainformation](https://ubs.com/irainformation) which outlines the many factors you should consider (including the management of fees and costs of your retirement plan investments) before making a decision to roll out of a retirement plan. Your UBS Financial Advisor will provide a copy upon request.



# Important Information and Disclosures

**No tax or legal advice:** UBS Financial Services Inc., its affiliates, and its employees do not provide tax or legal advice. You should consult with your personal tax and/or legal advisors regarding your particular situation.

**Financial planning services:** In providing financial planning services, we may act as a broker-dealer or investment adviser. When we act as investment advisor we charge a separate fee for the service and enter into a written agreement with you. The nature and scope of the services are detailed in the documents and reports provided to you as part of the service.

**Insurance and related products:** Insurance and annuity products are issued by unaffiliated third-party insurance companies and made available through insurance agency subsidiaries of UBS Financial Services Inc. Guarantees are based on the claims-paying ability of the issuing insurance company.

Long-term care insurance has certain exclusions, limitations, reduction of benefits, and terms under which a particular policy may be continued or discontinued. For costs and complete details of coverage, please contact your financial advisor.

As a firm providing wealth management services to clients, UBS Financial Services, Inc is registered with the U.S. Securities and Exchange Commission (SEC) as an investment adviser and a broker-dealer, offering both investment advisory and brokerage services. Advisory services and brokerage services are separate and distinct, differ in material ways and are governed by different laws and separate contracts. It is important that you carefully read the agreements and disclosures UBS provides to you about the products or services offered. For more information, please see [www.ubs.com/workingwithus](http://www.ubs.com/workingwithus)

There are two sources of UBS research. Reports from the first source, UBS CIO Global Wealth Management, are designed for individual investors and are produced by UBS Global Wealth Management (which includes UBS Financial Services Inc. and UBS International Inc.). The second research source is UBS Group Research, whose primary business focus is institutional investors. The two sources operate independently and may therefore have different recommendations. The various research content provided does not take into account the unique investment objectives, financial situation or particular needs of any specific individual investor. If you have any questions, please consult your Financial Advisor. UBS Financial Services Inc. is a subsidiary of UBS AG and an affiliate of UBS International Inc.

© UBS 2026. The key symbol and UBS are among the registered and unregistered trademarks of UBS. All rights reserved. UBS Financial Services Inc. is a subsidiary of UBS AG. Member FINRA/SIPC.