



It's important to consider how inflation has affected other expenses in your budget before adjusting your spending or savings plans. (UBS)

# What's new with personal taxes in 2025?

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**This year the standard deduction increased by \$400 (to \$15,000) for single filers and by \$800 (to \$30,000) for those married filing jointly.**

About 90% of tax filers take advantage of the standard deduction, especially since the 2017 Tax Cuts and Jobs Act increased its level dramatically and eliminated or curtailed a number of personal income deductions. The standard deduction often makes the tax filing process simpler, too. Even so, you should still consider itemizing if you believe your family's deductions—including from charitable contributions—will meet or exceed the 2025 standard deduction.

**Tax bracket adjustments:** With the income thresholds for each tax bracket increasing due to inflation, more of your income will be taxed at lower rates, potentially resulting in slightly larger paychecks. For example, an individual earning \$100,000 in 2024 would owe \$10,629 in federal income taxes, while in 2025, the same salary may owe only \$10,314. However, lower taxes don't automatically translate to increased disposable income. It's important to consider how inflation has affected other expenses in your budget before adjusting your spending or savings plans.

**Increased retirement account contribution limits:** If you're looking to maximize your contributions to retirement accounts this year, make sure you adjust your contribution amount to align with the higher limits.

If you're over age 50, you're allowed to make "catch-up contributions"—exceeding the standard limits—in order to catch up on your retirement savings goals. If you are age 50-59, or 64 and older, you can contribute an additional \$7,500 this year. There is also a new feature in the tax code this year: a "super catch-up contribution:" if you are age 60-63, you can contribute \$11,250 above the standard limit.

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[Original report: What's new with personal taxes in 2025?, 16 January 2025.](#)

- To help you take full advantage of the tax benefits and accelerate your retirement savings, consider using our [Savings waterfall worksheet](#) which includes the 2025 retirement plan contributions limits.
- For more details key tax information this year, such as how the lifetime gift and estate tax has increased, please see our [2025 Tax fact sheet](#). And for more content on saving for and planning for retirement, please visit [ubs.com/retirement-guidebook](https://ubs.com/retirement-guidebook).

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