



INDIVIDUAL INVESTORS SHOULD CONSULT THEIR TAX PROFESSIONAL

PIMCO EDUCATION

A company of **Allianz** (II)

2025 TAX REFERENCE GUIDE

Planning for 2025 Taxes

This Tax Reference Guide provides highlights of the current tax law for financial professionals and investors to be aware of throughout the year. Together with a tax professional, financial advisors and investors should closely monitor the overall tax burden and look for planning opportunities to reduce or minimize the impact of taxes annually. Federal tax schedules and tables are included for the various income and asset categories.

The guide is not meant to replace the assistance or advice of a tax professional.

Important Dates

Wednesday, January 15, 2025	4th quarter 2024 estimated tax payment due
Tuesday, April 1, 2025	Required minimum distribution deadline for those who turned 73 in 2024
Tuesday, April 15, 2025	1st quarter 2025 estimated tax payment due
	2024 tax return due without extension
	Deadline to contribute to traditional or Roth IRA for 2024
	Deadline to contribute to SEP IRA for 2024 (unless business return is extended)
Thursday, May 1, 2025	Disaster relief deadline to file 2024 tax return for affected individuals and businesses in certain states (AL, FL, GA, NC, SC, VA, TN)
Monday, June 16, 2025	2nd quarter 2025 estimated tax payment due
Monday, September 15, 2025	3rd quarter 2025 estimated tax payment due
Wednesday, October 15, 2025	2024 tax return due (with extension)
	Deadline to contribute to SEP IRA for 2024 (if business return is extended)
Friday, November 28, 2025	Last day to double-up on a position and then sell a substantially identical position for a loss before the end of 2025
Vednesday, December 31, 2025	Required minimum distribution deadline (other than for those who turn 73 in 2025)
	Deadline to complete tax-deductible charitable contributions for 2025
	Deadline for employees to contribute to employer retirement plan
Thursday, January 15, 2026	4th quarter 2025 estimated tax payment due

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As of July 4, 2025

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INCOME

Ordinary Income Tax Rates and Brackets

Single

Tax rate	If taxable income is	the tax rate is
10%	\$0 -\$11,925	10% of the taxable income
12%	\$11,925-\$48,475	\$1,192.50 plus 12% of the excess over \$11,925
22%	\$48,475-\$103,350	\$5,578.50 plus 22% of the excess over \$48,475
24%	\$103,350-\$197,300	\$17,651 plus 24% of the excess over \$103,350
32%	\$197,300-\$250,525	\$40,199 plus 32% of the excess over \$197,300
35%	\$250,525-\$626,350	\$57,231 plus 35% of the excess over \$250,525
37%	\$626,350+	\$188,769.75 plus 37% of the excess over \$626,350

Married, filing jointly

Tax rate	If taxable income is	the tax rate is
10%	\$0-\$23,850	10% of the taxable income
12%	\$23,850-\$96,950	\$2,385 plus 12% of the excess over \$23,850
22%	\$96,950-\$206,700	\$11,157 plus 22% of the excess over \$96,950
24%	\$206,700-\$394,600	\$35,302 plus 24% of the excess over \$206,700
32%	\$394,600-\$501,050	\$80,398 plus 32% of the excess over \$394,600
35%	\$501,050-\$751,600	\$114,462 plus 35% of the excess over \$501,050
37%	\$751,600+	\$202,154.50 plus 37% of the excess over \$751,600

Head of household

Tax rate	If taxable income is	the tax rate is
10%	\$0-\$17,000	10% of the taxable income
12%	\$17,000-\$64,850	\$1,700 plus 12% of the excess over \$17,000
22%	\$64,850-\$103,350	\$7,442 plus 22% of the excess over \$64,850
24%	\$103,350-\$197,300	\$15,912 plus 24% of the excess over \$103,350
32%	\$197,300-\$250,500	\$38,460plus 32% of the excess over \$197,300
35%	\$250,500-\$626,350	\$55,484 plus 35% of the excess over \$250,500
37%	\$626,350+	\$187,031.50 plus 37% of the excess over \$626,350

Married, filing separately

Tax rate	If taxable income is	the tax rate is
10%	\$0 -\$11,925	10% of the taxable income
12%	\$11,925-\$48,475	\$1,192.50 plus 12% of the excess over \$11,925
22%	\$48,475-\$103,350	\$5,578.50 plus 22% of the excess over \$48,475
24%	\$103,350-\$197,300	\$17,651 plus 24% of the excess over \$103,350
32%	\$197,300-\$250,525	\$40,199 plus 32% of the excess over \$197,300
35%	\$243,725-\$375,800	\$57,231 plus 35% of the excess over \$250,525
37%	\$375,800+	\$101,077.25 plus 37% of the excess over \$375,800

Source: IRS

Amounts, thresholds and ranges are subject to annual IRS inflation adjustments. Data was obtained from sources believed to be reliable but PIMCO does not guarantee the accuracy or completeness of the content provided. PIMCO undertakes no obligation to update the information and disclaims any warranties or fitness for a particular purpose.

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INCOME (continued)

Additional Medicare Tax

An additional 0.9% Medicare care tax is assessed on family earned income above these thresholds.

Filing status	Earned income threshold
Single	\$200,000
Married, filing jointly	\$250,000
Head of household	\$200,000
Married, filing separately	\$125,000

Standard Deduction

Filing status	Standard deduction
Single	\$15,750
Married, filing jointly	\$31,500
Head of household	\$22,500
Married, filing separately	\$15,000

- Additional deducton for age 65+ or blind = \$1,600 (married); \$2,000 (single)
- The standard deduction for dependents is the greater of (a) \$1,350 or (b) the sum of \$450 and the individual's earned income

Child Tax Credit

Tax credit for child under age 17	\$2,200
Refundable portion of child credit	\$1,700
Tax credit for other dependents	\$500

	Single	Married, filing jointly
AGI level when credit begins to phaseout	\$200,000	\$400,000

Additional Deduction for Seniors

\$6,000 for each taxpayer age 65 or older by 12/31/25*

Alternative Minimum Tax (AMT)

AMT tax rate	Married, filing separately	All others
26%	\$0-\$119,550	\$0-\$239,100
28%	\$119,550+	\$239,100+

Alternative Minimum Tax (AMT) Exemption

Filing status	2025 exemption	2025 AMT exemption phase-out range*
Married, filing jointly	\$137,000	\$1,252,700-\$1,800,700
Single or Head of household	\$88,100	\$626,350-\$978,750
Married, filing separately	\$68,500	\$626,350-\$900,350

^{*}Exemption subject to 25% phase-out once income reaches this range; exemption is fully phased-out at the top of the range

Source: One Big Beautiful Bill Act

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^{*}The deduction is reduced by 6% of MAGI over \$150,000 (MFJ) and phased out for MAGI of \$250,000 (MFJ)/ (\$75,000 and \$175,000 for single filers).

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INVESTMENT

Capital Gains and Qualified Dividends

Long-term capital gain rate	Single	Married, filing jointly	Head of household	Married, filing separately
0%	\$0-\$48,350	\$0-\$96,700	\$0-\$64,750	\$0-\$48,350
15%	\$48,350- \$533,400	\$96,700- \$600,050	\$64,750- \$566,700	\$48,350- \$300,000
20%	\$533,400+	\$600,050+	\$566,700+	\$300,000+

Net Investment Income Tax

A 3.8% NIIT is assessed on the lesser of net investment income (e.g., interest, dividends, capital gains, etc.) or Modified AGI above these thresholds.

Filing status	Threshold (modified AGI)
Single	\$200,000
Married, filing jointly	\$250,000
Head of household	\$200,000
Married, filing separately	\$125,000
Gains subject to unique rules	Maximum long-term capital
Gains subject to unique rules Collectible gain	Maximum long-term capital 28%

25%

ESTATE

Income Tax Rates for Estates and Trusts

	Estates and Trusts	
Tax rate	If taxable income is	the tax rate is
10%	\$0-\$3,150	10% of the taxable income
24%	\$3,150-\$11,450	\$315 plus 24% of the excess over \$3,150
35%	\$11,450-\$15,650	\$2,307 plus 35% of the excess over \$11,450
37%	\$15,650+	\$3,777 plus 37% of the excess over \$15,650

Capital Gains

Unrecaptured section 1250 gain

0%	\$0-3,250
15%	\$3,250-\$15,900
20%	\$15,900+

Estate and Gift Tax | Generation Skipping Transfer (GST) Tax

Estate tax exclusion/GST exemption	\$13,990,000
Annual gift tax exclusion	\$19,000

CHARITABLE

Deduction Limits for Charitable Gifts

Property	Public charity deduction	Public charity AGI limit	Private foundation deduction	Private foundation deduction AGI limit
Cash	FMV	60%	FMV	30%
Ordinary income property	Cost basis	50%	Cost basis	30%
Long-term gain property	FMV	30%	FMV	20%
Personal property – same use	FMV	30%	Cost basis	20%
Personal property – not same use	Cost basis	50%	Cost basis	20%

FMV = fair market value

Charitable contributions that are not deductible due to AGI limitations can be carried forward for up to five years.

Consult a tax advisor on the complexities involving charitable contributions between public and private foundations.

Source: IRS

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RETIREMENT

Traditional & Roth Individual Retirement Accounts (IRAs)		
Traditional IRA and Roth IRA maximum contribution	\$7,000	
Traditional IRA and Roth IRA catch-up contribution*	\$1,000	
AGI phaseout range for IRA deduction (married, filing jointly)	\$126,000-\$146,000	
AGI phaseout range for IRA deduction (single and head of household)	\$79,000-\$89,000	
Roth IRA contribution AGI range (married, filing jointly)	\$236,000-\$246,000	
Roth IRA contribution AGI range (single and head of household)	\$150,000-\$165,000	

For those not covered by an employer retirement plan but whose spouse is covered by a qualified plan, the IRA deduction is phased out for MAGI between \$236,000-\$246,000 for 2025.

^{*} Catch up contributions are available to taxpayers age 50 and older by 12/31/2025

Employer Plan Contribution Limits	
401(k), 403(b) regular contribution	\$23,500
Individual 401(k) total contribution (salary deferral + profit sharing)	\$70,000
Catch up contribution for taxpayers age 50 and older for all above plans*	\$7,500
Catch up contribution for taxpayers age 60, 61, 62, 63 for all above plans*	\$11,250
SEP IRA, Money Purchase or Profit Sharing plan contribution	\$70,000
SIMPLE IRA regular contribution	\$16,500
SIMPLE IRA catch-up contribution for taxpayers age 50 and older*	\$3,500
SIMPLE IRA catch-up contribution for taxpayers age 60, 61, 62, 63 and older*	\$5,250
Maximum annual compensation taken into account for contribution	\$350,000
Annual benefit limit under defined benefit plans	\$280,000

 $[\]mbox{{\tt ^*}}$ Catch up contributions are available to tax payers age 50 and older by 12/31/2025

HEALTH SAVINGS ACCOUNTS

	Family coverage	Single coverage
Maximum regular contribution	\$8,550	\$4,300
Maximum catch-up contribution*	\$1,000	\$1,000
Minimum insurance policy deductible	\$3,300	\$1,650
Maximum policy out-of-pocket expense	\$16,600	\$8,300

^{*} Catch up contributions are available to taxpayers age 55 and older by 12/31/2025

BUSINESS INCOME

Qualified Business Income Phaseout Range

For some business owners, the QBI deduction may be phased out as the owner's taxable income reaches this range, and may be fully phased out at the top of this range.

Filing status	Taxable income
Married, filing jointly	\$394,600-\$494,600
All others	\$197,300-\$247,300

SOCIAL SECURITY

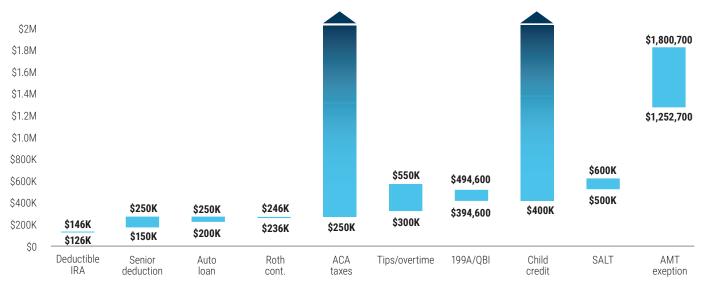
Social Security Tax	
Maximum Earnings subject to Social Security Tax (OASDI)	\$176,100
Employee share of Social Security Tax	6.2%

Source: IRS

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2025 Phaseouts and breakpoints (MFJ)



As of 30 July 2025. Source: IRS, OBBBA, PIMCO. Refer to Appendix for additional tax information.

EXPLANATION OF PHASEOUTS

Deductible IRA contributions: The maximum IRA contribution is \$7,000 for 2025, but the deductibility is determined by coverage under a retirement plan.

- For taxpayers who are not covered by a plan, and have a spouse who is also not covered, the full contribution is deductible from current earnings.
- For taxpayers who are covered by a plan, the deductible amount is reduced for MAGI between \$126,000 to \$146,000.

For taxpayers who are not covered but married to a covered spouse, the deductible amount is reduced for MAGI between \$236,000 to \$246,000.

Senior deduction: Offers a \$6,000 bonus deduction in tax years 2025-2028 for age 65+ to indirectly "offset" the taxation on social security benefits received. The deduction is available for taxpayers claiming either the standard deduction or those who itemize, and is subject to phase-out at MAGI above \$150,000 MFJ (\$75,000 single) at a 6% rate.

Auto loan interest deduction: Offers a maximum annual deduction of up to \$10,000 for automobile loan interest paid in years 2025-2028 for taxpayers claiming either the standard deduction or those who itemize. The auto must meet certain requirements to qualify: assembled in the US; purchased, not leased; new vehicle, not used; purchased after 12/31/24;

weighs less than 14,000 lbs.; used for personal, not business. The deduction phaseout begins for MAGI above \$200,000 MFJ (\$100,000 single).

Roth IRA contributions: The maximum Roth IRA contribution amount is \$7,000 for 2025, but is reduced for payers with MAGI above \$236,000 MFJ (\$150,000 single).

Affordable Care Act (ACA) taxes (Medicare and Net Investment Income): These surplus taxes were instituted in 2013 and include 0.9% on earned income (wages, bonus) and 3.8% on investment income (dividends, capital gains). They apply to MAGI above \$250,000 MFJ (\$200,000 single).

Tips / overtime deduction: Income earned from these sources may be excluded from taxable income in years 2025-2028 for both taxpayers claiming either the standard deduction or those who itemize. Income of up to \$25,000 derived from tips and up to \$12,500/employee of overtime pay (above base rate only) is eligible, but subject to phaseout at \$300,000 MFJ (\$150,000 single).

Qualified business income (QBI)/Sec 199A deduction: Pass-through businesses (sole proprietors, LLCs, S-corporations) receive a 20% deduction on net earnings, subject to certain limitations, including specialized service business. The deduction is subject to phaseout at \$394,600 MFJ (\$197,300 single). The phaseout range is expanded in 2026.

Child credit: Qualifying children provide a tax credit – more valuable than a tax deduction – of \$2,000 in 2025, increasing to \$2,250 in 2026. The credit is subject to phaseout at \$400.000 of MAGI.

State and local tax deduction (SALT): Taxpayers receive an itemized deduction of up to \$40,000 in 2025, up from a cap of \$10,000 previously, for local taxes paid including state income taxes and either property taxes or sales taxes. This deduction is subject to phaseout for MAGI between \$500,000 and \$600,000 MFJ (with a minimum level of \$10,000) effectively increasing a marginal tax rate to over 45% for payers in the phaseout range.

Alternative minimum tax (AMT) exemption: In 2025, the exemption amount is \$132,000 MFJ subject to a phaseout rate of 25% for MAGI in excess of \$1,252,700. The phaseout accelerates to a 50% rate for MAGI in excess of \$1,000,000 MFJ in 2026, increasing the probability of AMT liability for higher income taxpayers in future years.

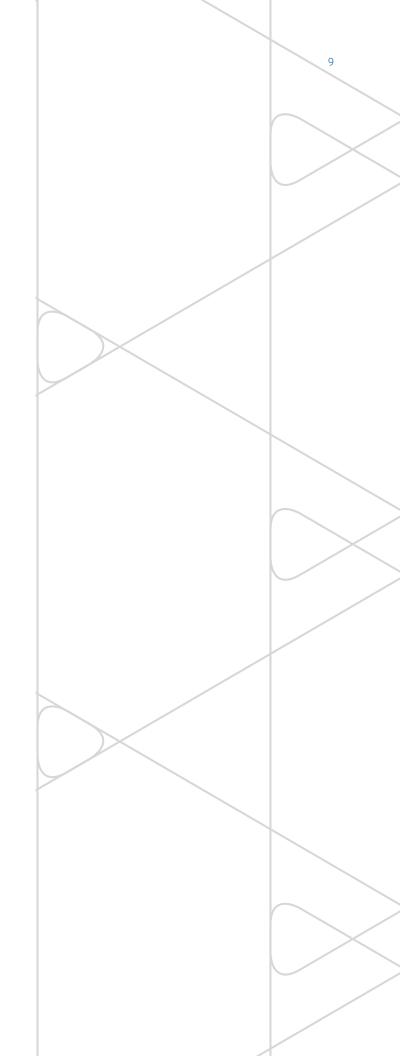
Itemized deduction limitation*: Itemized deductions currently provide a benefit of up to 37% for payers in the top marginal bracket. This benefit will be capped at an effective rate of 35% for these taxpayers (taxable income above \$763,163 MFJ) starting in 2026.

KEY TERMS

Gross income: Compensation, business income, taxable interest, capital gains, retirement income, rent, etc.

Adjusted gross income (AGI): Gross income minus certain adjustments including: alimony, educator expense, HSA contributions, deductible IRA, moving expenses for military, self-employment taxes, student loan interest, etc. Often referred to as above the line. Found on line 11 of form 1040.

Modified adjusted gross income (MAGI): AGI with municipal income, student loan interest, deductible IRA contributions added back. Used to determine IRMAA costs, ACA tax effect, ROTH and deductible IRA eligibility. For the new OBBBA deductions (senior, auto interest, tips/overtime, SALT, etc.) municipal income is not included in MAGI.



^{*}Not shown on graph; itemized deduction cap begins in 2026

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