

2025 TAX SITUATION AND EXPOSURE

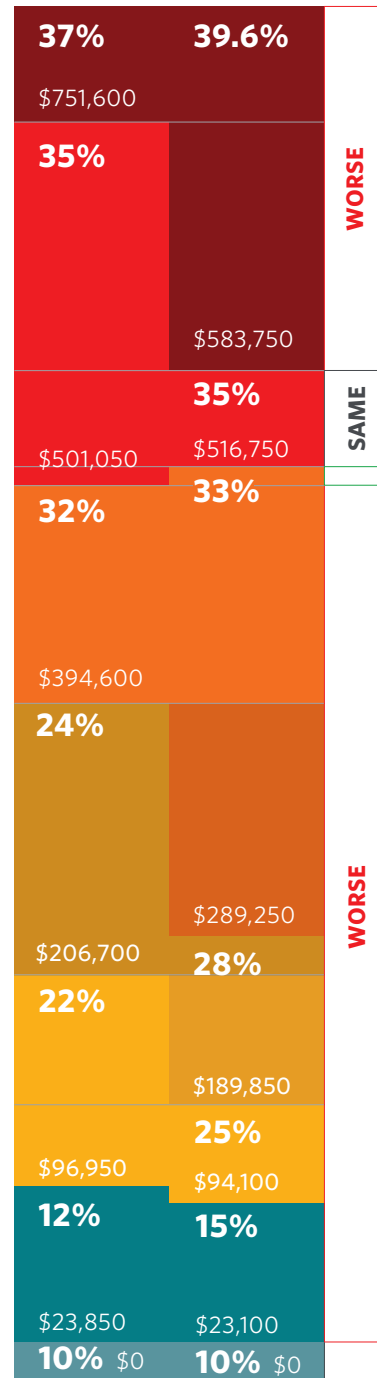
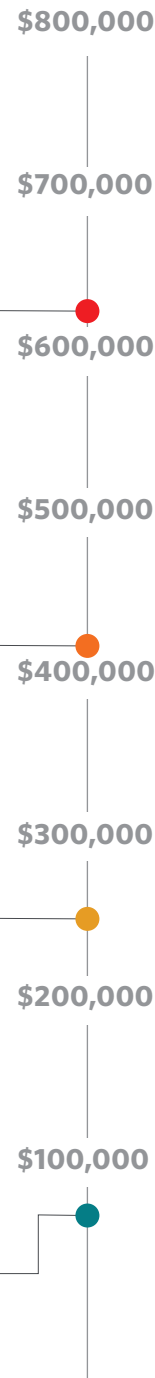
INCOME FOR A MARRIED COUPLE FILING JOINTLY | 2025 INCOME TAX BRACKETS | POST TAX CUT AND JOBS ACT (PROJECTION) NEW INCOME TAX BRACKETS

\$600,050
(Taxable Income¹)
Long-term capital gains tax and taxation of qualified dividends increase to 20% from 15% (\$533,400 for single).

\$400,000
(Modified Adjusted Gross Income²)
2025 law: Child Tax Credit begins to phase out \$50 for each \$1,000 of modified adjusted gross income (MAGI) over \$400,000 (\$200,000 for single filers).

\$250,000+
(Modified Adjusted Gross Income²)
An additional 3.8% net investment income tax on the lesser of net investment income or MAGI over the applicable income threshold; over \$200,000 (single), over \$250,000 (married filing jointly), and undistributed net investment income over \$15,650 (trusts and estates). Net investment income may include items such as capital gains, dividends, interest, royalties, rent, distributed gains from nonqualified annuities, and passive business income. Income from a business is not subject to the net investment income tax unless it is from a passive activity or from a business trading in financial instruments or commodities.

\$96,700+
(Taxable Income¹)
Long-term capital gains tax and taxation of qualified dividends increase to 15% from 0% (increase to 20% at \$600,050).



WORSE

SAME

BETTER

WORSE

SAME

2025: 37% Sunset: 39.6%

2025: 35% Sunset: 39.6%

2025: 35% Sunset: 33%

2025: 32% Sunset: 33%

2025: 24% Sunset: 33%

2025: 24% Sunset: 28%

2025: 22% Sunset: 28%

This effect will occur with single filers also, but to a different extent.

Thresholds are for 2025, filing in 2026.

¹ Taxable income: Adjusted gross income (AGI) less the standard deduction or itemized deductions.

² MAGI: AGI modifications for those excluding foreign earned income and who own certain controlled foreign corporations and passive foreign investment companies.



TAX LAW POST SUNSET VS. CURRENT TAX LAW (2025)

| WHEN TAX CUT AND JOBS ACT SUNSETS | CURRENT (2025) |
|---|--|
| Top marginal tax bracket will be 39.6% | 37% |
| No limit on SALT deduction | Capped at \$10,000 |
| Estate tax exemption reverts to \$5 million then indexed for inflation (approximately \$6.810 million) in 2026 | 40% tax rate \$13.99 million (Individual) \$27.98 million (Married) |
| Standard deduction reverts back to approximately \$7,850 (Single) \$15,750 (Married filing jointly) | \$15,000 (Single/Married filing separately) \$30,000 (Married filing jointly) |
| Mortgage interest deduction returns to \$1 million | \$750,000 |
| Corporate tax rate remains 21% | 21% |
| Qualified Business Income (Sec. 199A) Deduction sunsets | Deduct up to 20% of QBI |
| Charitable deductions made in cash limited to 50% of AGI | Subject to 60% of AGI limitation |
| Personal exemptions \$5,050 (Single) \$10,100 (Married filing jointly) | Personal exemptions were eliminated |
| Return of Personal Exemption Phaseout (PEP) and PEASE Limitations Married filing jointly estimated at \$389,150 Single estimated at \$324,300 | Personal exemptions were eliminated so no PEP and PEASE limitation |



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