

## IRA Contributions

	2023	2024
<b>Traditional &amp; Roth</b>	\$6,500	\$7,000
<b>Catch-up Contribution (Age 50 and older)</b>	\$1,000	\$1,000

## Traditional IRA Deduction Phase Outs

Active participants (active participant in a qualified plan)

	2023	2024
<b>Single or Head of HH</b>	\$73,000 - \$83,000	\$77,000 - \$87,000
<b>Married Filing Joint</b>	\$116,000 - \$136,000	\$123,000 - \$143,000
<b>Married Filing Separate</b>	\$0-\$10,000	\$0-\$10,000

Non-active participants full contribution is deductible (if married, neither spouse active)

Spousal contributions - If one spouse is an active participant, deductibility for non-active spouse phases out: \$230,000-\$240,000

## Roth IRAs

Roth IRA contribution phase outs

	2023	2024
<b>Single or Head of HH</b>	\$138,000-\$153,000	\$146,000-\$161,000
<b>Married Filing Joint</b>	\$218,000-\$228,000	\$230,000-\$240,000
<b>Married Filing Separate</b>	\$0-\$10,000	\$0-\$10,000

## IRS Guidance Publications

<b>Contributions to IRAs</b>	Publication 590-A
<b>Distributions from IRAs</b>	Publication 590-B
<b>Employer Sponsored Retirement Plan (SEP, SIMPLE, and Qualified Plans)</b>	Publication 560

## Employer Retirement Plans

	2023	2024
<b>Elective Deferrals 401k, 403b, 457</b>	\$22,500	\$23,000
<b>Catch-Up 401(k), 403(b), 457 (Age 50 &amp; older)</b>	\$7,500	\$7,500
<b>Defined Contribution Plan Limit</b>	\$66,000	\$69,000
<b>Highly Compensated Employee</b>	\$150,000	\$155,000
<b>Maximum Includable Compensation</b>	\$330,000	\$345,000
<b>Annual Benefit Limit</b>	\$265,000	\$275,000
<b>Key Employee</b>	\$215,000	\$220,000
<b>SEP IRA Annual Addition Limit</b>	\$66,000	\$69,000
<b>Simple IRA Limit</b>	\$15,500	\$16,000
<b>Simple IRA Catch-up</b>	\$3,500	\$3,500

<b>IRAs &amp; Retirement Plan Contributions</b>
<b>Retirement Plan Distributions</b>
<b>Misc. Deductions &amp; Exemptions</b>
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<b>Social Security &amp; Medicare</b>
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KEY

## RMD

RMD Formula =  $\frac{\text{Prior Year 12/31 Account Balance}}{\text{Life Expectancy}}$

Life Expectancy = distribution period for age you will turn in the distribution year

## Employer Plan / IRA Distributions

### Uniform Life Expectancy Table (ULET)

Age			Age		
Age	Period	%	Age	Period	%
70	29.1	3.44	93	10.1	9.91
71	28.2	3.55	94	9.5	10.53
72	27.4	3.65	95	8.9	11.24
73*	26.5	3.78	96	8.4	11.91
74	25.5	3.93	97	7.8	12.83
75	24.6	4.07	98	7.3	13.7
76	23.7	4.22	99	6.8	14.71
77	22.9	4.37	100	6.4	15.63
78	22	4.55	101	6	16.67
79	21.1	4.75	102	5.6	17.86
80	20.2	4.96	103	5.2	19.24
81	19.4	5.16	104	4.9	20.41
82	18.5	5.41	105	4.6	21.74
83	17.7	5.65	106	4.3	23.26
84	16.8	5.96	107	4.1	24.4
85	16	6.25	108	3.9	25.65
86	15.2	6.58	109	3.7	27.03
87	14.4	6.95	110	3.5	28.58
88	13.7	7.3	111	3.4	29.42
89	12.9	7.76	112	3.3	30.31
90	12.2	8.2	113	3.1	32.26
91	11.5	8.7	114	3	33.34
92	10.8	9.26	115+	2.9	34.49

\* Beginning in 2023, the age that you must begin taking RMDs is 73. If you reached age 73 in 2023, you were 72 in 2022 and subject to the age 72 RMD rule in effect for 2022.

## Life Expectancy

### IRS Life Expectancy Tables

Age			Age		
Age	Single	Joint	Age	Single	Joint
50	36.2	42.3	71	18	22.5
51	35.3	41.3	72	17.2	21.6
52	34.3	40.3	73	16.4	20.7
53	33.4	39.4	74	15.6	19.8
54	32.5	38.4	75	14.8	18.9
55	31.6	37.4	76	14.1	18.1
56	30.6	36.5	77	13.3	17.2
57	29.8	35.5	78	12.6	16.4
58	28.9	34.5	79	11.9	15.6
59	28	33.6	80	11.2	14.7
60	27.1	32.6	81	10.5	14
61	26.2	31.7	82	9.9	13.2
62	25.4	30.8	83	9.3	12.4
63	24.5	29.8	84	8.7	11.7
64	23.7	28.9	85	8.1	11
65	22.9	28	86	7.6	10.4
66	22	27	87	7.1	9.7
67	21.2	26.1	88	6.6	9.1
68	20.4	25.2	89	6.1	8.5
69	19.6	24.3	90	5.7	8
70	18.8	23.4			

Joint = Joint life expectancy of male and female of the same age

## Required Distribution Options After Death

Designated Beneficiary	Death Prior to RBD	Death on or After RBD
<b>Spouse</b>	Treat as Own Life Expectancy 5-Year Rule	Treat as Own Life Expectancy
<b>Non-Spouse</b>	Life Expectancy 5-Year Rule	Life Expectancy
<b>Non-Spouse (After 12/31/19)</b>	10-Year Rule	10-Year Rule

RBD = Required Beginning Date for RMD's  
Plans may require faster payout than RMD rules require

## Exceptions to the 10% penalty for distributions prior to age 59 1/2

	NQ Annuity	Qual Plans	IRAs
<b>Death</b>	X	X	X
<b>Disability</b>	X	X	X
<b>SEPP 72(t)</b>	X	X	X
<b>Medical Expenses (&gt; 7.5% AGI)</b>		X	X
<b>Birth or Adoption of Child</b>		X	X
<b>Age 55: Separated From Service/QDRO</b>		X	
<b>Health Ins. Prem. for Unemployed</b>			X
<b>Qual. First Time Homebuyer / Reservist</b>			X
<b>College Expenses</b>			X

## Health Savings Account Deduction/Contribution Limits

	Minimum Deductible	Maximum Out-of-Pocket	Deduction/Contribution Limit	55+ Catch-up
<b>Single</b>	\$1,600	\$8,050	\$4,150	\$1,000
<b>Family</b>	\$3,200	\$16,100	\$8,300	\$1,000

## Standard Deduction

Filing Status	2023	2024
<b>Single</b>	\$13,850	\$14,600
<b>Married Filing Joint</b>	\$27,700	\$29,200
<b>Head of Household</b>	\$20,800	\$21,900
<b>Married filing Separate</b>	\$13,850	\$14,600

Additional \$1550 if >65 or blind (\$1950 if unmarried).

## Misc. Exemption & Deductions

<b>Personal Exemption</b>	Eliminated
<b>Mortgage Interest Deduction</b>	Debt Limit: \$750,000
<b>Medical Expenses</b>	Deductible if > 7.5% AGI
<b>Moving Expenses</b>	Only For Military

## Long Term Care Insurance Deduction

Deductible after exceeding 7.5% of the AGI in medical expenses.

Age	2023	2024
< 40	\$480	\$470
41-50	\$890	\$880
51-60	\$1,790	\$1,760
61-70	\$4,770	\$4,710
> 70	\$5,960	\$5,880

## FICA/Social Security & Medicare

	Social Security Tax	Medicare Tax	FICA Tax (total)
<b>Employee portion</b>	6.2%	1.45%	7.65%
<b>Employer portion</b>	6.2%	1.45%	7.65%
<b>Totals</b>	12.4%	2.9%	15.3%
<b>Self-employed</b>	12.4%	2.9%	15.3%
<b>Totals</b>	12.4%	2.9%	15.3%

## Earned Income Subject to Tax

Year	Max Earned Income Subject to Social Security Tax
2021	\$142,800
2022	\$147,000
2023	\$160,200
2024	\$168,600

## Capital Gain/Dividend Rates

	Single:	Married Filing Joint (MFJ):	Head of Household (HoH):	Married Filing Separate (MFS):	Other
<b>ST &lt;12 mo.</b>	<\$47,025	\$47,025 - \$518,900	\$47,025 - \$518,900	<\$47,025	Ordinary
<b>LT &gt;12 mo.</b>	<\$94,050	\$94,050 - \$583,750	\$94,050 - \$583,750	\$47,025 - \$291,850	Ordinary
<b>Qualified Dividends</b>	<\$63,000	\$63,000 - \$551,350	\$63,000 - \$551,350	0%	15%
					20%

## Medicare Tax & Net Investment Income Tax (NIIT)

Medicare Tax - 0.9% & NIIT - 3.8% on the lesser of net investment income or MAGI over the following thresholds:

<b>Single</b>	\$200,000
<b>Married Filing Joint (MFJ)</b>	\$250,000
<b>Head of Household (HoH)</b>	\$200,000
<b>Married Filing Separate Returns (MFS)</b>	\$125,000
<b>Qualifying widow(er) with dependent child</b>	\$250,000

## Alternative Minimum Tax (AMT) Exemptions

<b>Individuals</b>	\$85,700
<b>Married Filing Jointly &amp; Surviving Spouse</b>	\$133,300
<b>Married Filing Separately</b>	\$66,650
<b>Trusts &amp; Estates</b>	\$29,900

## Income Tax Rates for Trusts & Estates

Taxable Income	Tax is	Plus	Of Amount Over
<b>Over \$0</b>	Not Over		
\$0	\$2,900	\$0	10%
\$2,901	\$10,550	\$290	24%
\$10,551	\$14,450	\$2,126	35%
\$14,451	-	\$3,491	37%

This information is a general discussion of the relevant and projected federal tax laws for 2024 provided to promote ideas that may benefit a taxpayer. It is not intended for, nor can it be used by any taxpayer for the purpose of avoiding federal tax penalties. Taxpayers should seek the advice of their own advisors regarding any tax and legal issues specific to their situation.

### Social Security

Full Retirement Age (FRA)			
Year of Birth	Full Retirement Age	Number of Reduction Months	Percent of Reduction
1943-1954	66	48	25.00%
1955	66 and 2 months	50	25.83%
1956	66 and 4 months	52	26.67%
1957	66 and 6 months	54	27.50%
1958	66 and 8 months	56	28.33%
1959	66 and 10 months	58	29.17%
1960 or later	67	60	30.00%

  

Max SS Benefit Per Month		
	2023	2024
	\$3,627	\$3,822

  

Early Retirement Reduction	
Starting Age for Benefits	Percent benefit reduction for those born 1943-1954
62	25.0%
63	20.0%
64	13.3%
65	6.7%
66	0%

\* 5/9 of 1%: Benefits are reduced by 5/9 of 1% per month, up to a maximum of 36 months, depending on how many months remain until the taxpayer reaches FRA.

\* 5/12 of 1%: If a taxpayer is more than 36 months from FRA, the reduction above is applied and for the remaining months until retirement the benefits are reduced to 5/12 of 1%.

### Social Security & Divorce

**Benefits for Divorced Spouses\***  
 Ex-spouse must be at least age 62 before applying, but does not have to wait until the other spouse applies for benefits.

### Social Security & Divorce Cont.

An ex-spouse:

- must have been married at least ten years
- must have been divorced at least two years

\*does not reduce primary ex-spouse's benefit

**Reduction for Divorced Spouses Claiming Early**

Step 1: Reduce the primary worker's benefit by 50% to get the *base amount*.

Step 2: Determine how many months early the claim is being filed.

Step 3: Calculate the reduction in the spousal benefit

Step 4: Reduce spousal benefit by the percentage calculated in step 3

25/36 of 1% x 36 months = 25%  
 5/12 of 1% x 12 months = 5%  
**Total Reduction = 30%**

\*Based on a FRA of 66

### Taxation of Social Security Benefits

Combined Income		Filing Status	Percent of Income Subject to Taxes
Adjusted gross income (AGI, line 37 on Form 1040)		Single, Head of Household, Qualifying Widow	Up to 50% of Social Security Benefits
+	Nontaxable interest	Single, Head of Household, Qualifying Widow	Up to 85% of Social Security Benefits
+	Half of Social Security benefits	Married Filing Joint	Up to 50% of Social Security Benefits
=	Combined Income	Married Filing Joint	Up to 85% of Social Security

### Medicare Premiums

The standard Part B premium for 2024 is \$174.70 if you're single and filing an individual tax return, or married and filed a joint tax return, the following chart applies:

*Use form SSA-44 to adjust premiums in the middle of a plan year if there is a drastic income change.*

Modified Adjusted Gross Income (MAGI)	Part B Monthly Premium	R <sub>x</sub> Coverage Premium
<b>2024</b>		
Ind.: \$103,000 or less	\$174.70	Plan Premium
Married: \$206,000 or less		
Ind.: \$103,001 - \$129,000	Standard Premium + \$69.90	\$12.90 + your plan premium
Married: \$206,001 - \$258,000		
Ind. - \$129,001 - \$161,000	Standard Premium + \$174.70	\$33.30 + your plan premium
Married - \$258,001 - \$322,000		
Ind. - \$161,001 - \$193,000	Standard Premium + \$279.50	\$53.80 + your plan premium
Married - \$322,001 - \$386,000		
Ind. - \$193,001 - \$500,000	Standard Premium + \$384.30	\$74.20 + your plan premium
Married - \$386,001 - \$750,000		

### Medicare Premiums Cont.

If you're married and lived with your spouse at some time during the taxable year, but filed separate tax returns, the following applies:

Modified Adjusted Gross Income (MAGI)	Part B Monthly Premium	R <sub>x</sub> Coverage Premium
<b>2024</b>		
Ind. - \$103,000 or less	\$174.70	Plan Premium
Ind. - \$103,001 or less than \$397,000	Standard Premium + \$384.30	\$74.20 + your plan premium
Ind. - \$397,000 or greater	Standard Premium + \$419.30	\$81.00 + your plan premium

### Personal Income Tax Rates

Taxable Income		Tax is	Plus	Amount Over
Over	Not Over			
<b>Single</b>				
\$0	\$11,000	\$0	10.0%	\$0
\$11,001	\$44,725	\$1,100	12.0%	\$11,000
\$44,726	\$95,375	\$5,147	22.0%	\$44,725
\$95,376	\$182,100	\$16,290	24.0%	\$95,375
\$182,101	\$231,250	\$37,103	32.0%	\$182,100
\$231,251	\$578,125	\$52,831	35.0%	\$231,250
\$578,126	and over	\$174,237	37.0%	\$578,125

### Married Filing Joint (MFJ)

\$0	\$22,000	\$0	10.0%	\$0
\$22,001	\$89,450	\$2,200	12.0%	\$22,000
\$89,451	\$190,750	\$10,294	22.0%	\$89,450
\$190,751	\$364,200	\$32,580	24.0%	\$190,750
\$364,201	\$462,500	\$74,207	32.0%	\$364,200
\$462,501	\$693,750	\$105,663	35.0%	\$462,500
\$693,751	and over	\$186,600	37.0%	\$693,750

### Head of Household (HoH)

\$0	\$15,700	\$0	10.0%	\$0
\$15,701	\$59,850	\$1,570	12.0%	\$15,700
\$59,851	\$95,350	\$6,868	22.0%	\$59,850
\$95,351	\$182,100	\$14,678	24.0%	\$95,350
\$182,101	\$231,250	\$35,497	32.0%	\$182,100
\$231,251	\$578,100	\$51,225	35.0%	\$231,250
\$578,101	and over	\$172,622	37.0%	\$578,100

### Married Filing Separate Returns (MFS)

\$0	\$11,000	\$0	10.0%	\$0
\$11,001	\$44,725	\$1,100	12.0%	\$11,000
\$44,726	\$95,375	\$5,147	22.0%	\$44,725
\$95,376	\$182,100	\$16,290	24.0%	\$95,375
\$182,101	\$231,250	\$37,103	32.0%	\$182,100
\$231,251	\$346,875	\$52,831	35.0%	\$231,250
\$346,876	and over	\$93,300	37.0%	\$346,875

### Estate Tax Exclusion Rates

	Exclusion Equivalent	Top Estate Tax Rate
2015	\$5,430,000	35%
2016	\$5,450,000	40%
2017	\$5,490,000	40%
2018	\$11,120,000	40%
2019	\$11,400,000	40%
2020	\$11,580,000	40%
2021	\$11,700,000	40%
2022	\$12,060,000	40%
2023	\$12,920,000	40%
2024	\$13,610,000	40%

Subtract applicable credit from tax calculated above

### Gift Tax and GST Tax

	Individual	Couple
Annual gift tax exclusion (per beneficiary)	\$18,000	\$36,000
Unified estate and gift tax credit	\$13,610,000	\$27,220,000
GST Exclusion:	\$24,120,000	

### Taxable Estates & Gifts

Over	Not Over	Tax on Column 1	Rate on Excess
\$0	\$10,000	\$0	18%
\$10,000	\$20,000	\$1,800	20%
\$20,000	\$40,000	\$3,800	22%
\$40,000	\$60,000	\$8,200	24%
\$60,000	\$80,000	\$13,000	26%
\$80,000	\$100,000	\$18,200	28%
\$100,000	\$150,000	\$23,800	30%
\$150,000	\$250,000	\$38,800	32%
\$250,000	\$500,000	\$70,800	34%
\$500,000	\$750,000	\$155,800	37%
\$750,000	\$1,000,000	\$248,300	39%
\$1,000,000	and over	\$345,800	40%

