



Retirement Plan Contribution Limits

| | 2024 | 2025 |
|--|----------|----------|
| 401k, 403b, 457 Salary Deferral | \$23,000 | \$23,500 |
| Defined Contribution Plan Limit | \$69,000 | \$70,000 |
| SEP IRA | \$69,000 | \$70,000 |
| Simple IRA | \$16,000 | \$16,500 |

Retirement Plan Matching

Many companies offer retirement plans which allow you to contribute to your account, before taxes are taken out of your check. Some will match your contributions up to a limit. Be sure to take full advantage of the matching. It's free money!

IRA & Roth Contributions

| | 2024 | 2025 |
|-------------------------------|---------|---------|
| Traditional & Roth | \$7,000 | \$7,000 |

Traditional IRA Deduction Phase Outs

Active participants (active participant in a qualified plan)

| | 2024 | 2025 |
|-------------------------------|---------------------|---------------------|
| Single | \$77,000-\$87,000 | \$79,000-\$89,000 |
| Married Filing Jointly | \$123,000-\$143,000 | \$126,000-\$146,000 |

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 IRA Contribution Phase Outs

Roth IRA contribution phase outs

| | 2024 | 2025 |
|-------------------------------|---------------------|---------------------|
| Single | \$146,000-\$161,000 | \$150,000-\$165,000 |
| Married Filing Jointly | \$230,000-\$240,000 | \$236,000-\$246,000 |

Retirement Savings Contribution Credit

You may be eligible for a tax credit for making contributions to your IRA or employer-sponsored retirement plan.

You're eligible for the credit if you're:

- Age 18 or older;
- Not a full-time student; and
- Not claimed as a dependent on another person's return.

| Tax Credit | Married Filing Jointly | All Other Filers* |
|--------------------------|------------------------|--------------------|
| 50% of your contribution | AGI ≤ \$47,500 | AGI ≤ \$23,750 |
| 20% of your contribution | \$47,501-\$51,000 | \$23,751-\$25,500 |
| 10% of your contribution | \$51,001-\$79,000 | \$25,501-\$39,500 |
| 0% of your contribution | more than \$79,000 | more than \$39,500 |

What is Insurance ?

An arrangement by which a company provides a guarantee of compensation for a specified loss, damage, illness, or death in return for payment of a premium. Insurance is most effective when insuring against an event that results in a high financial loss but has a very low probability of happening.

What is Disability Insurance ?

In case of illness or injury, on or off the job, it replaces a portion of your income for a specified period of time. Employer paid group disability will usually replace no more than 60% of your pre-disability income. In short, this protects your income.

What is Life Insurance ?

Upon death, life insurance pays the beneficiary the face amount of the policy in a lump sum, income tax free. It's most commonly used to protect a family or a loved one from financial hardship caused by a premature death.

What is Health Insurance ?

Health insurance pays for medical and surgical expenses incurred by the insured (you). Health insurance can reimburse the insured for expenses incurred from illness or injury, or pay the care provider directly.

Terms to Know

Premium - the amount you or your employer pays each month in exchange for insurance coverage.

Deductible - the amount of money you must pay each year to cover eligible medical expenses before your insurance policy starts paying.

Copayment - one of the ways you share in your medical expenses. You may pay a flat fee for certain medical expenses before your insurance policy starts paying.

Coinsurance - the share of medical expenses you pay after your deductible. For example, once your deductible has been met, coinsurance may be 80/20 where the insurance company pays 80% of the bill and you pay the remaining 20%.

Group Health Insurance - a plan offered by an employer that insures individuals in that group and their dependents under one policy.

In-Network Provider - a health care provider which is part of a health plan's network of preferred providers. Cost for services have been negotiated so you will generally pay less than using an out-of-network provider.

Health Savings Accounts

| | Minimum Deductible | Maximum Out-of-Pocket | Deduction/ Contribution Limit |
|--------|--------------------|-----------------------|-------------------------------|
| Single | \$1,650 | \$8,300 | \$4,300 |
| Family | \$3,300 | \$16,600 | \$8,550 |

What is a Credit Score ?

Credit is an indicator to a bank, mortgage or other lending company of your ability to repay borrowed money or pay for access to goods or services. Good credit is rewarded better repayment terms like a lower interest rate. Poor credit usually results in less desirable repayment terms and higher interest rates or can result in a denied loan. Your credit score is determined by the following criteria:



Building Your Credit

- Apply for a secured or co-signed credit card.
- Ask to be an authorized card user.
- Make rent, phone and utility payments on-time.
- Use a rent-reporting service such as Rental Kharma and RentTrack to get credit for your on-time payments.
- Keep credit utilization below 30% on all cards.
- Avoid closing cards unless there's a good reason to do so.
- Avoid applying for multiple accounts at the same time.

Credit Cards

- Pay the statement balance at the end of the month.
- Set up security alerts for when your card is used in case of fraud.
- Using more than 50% of your available credit hurts your credit score.
- Paying the minimum monthly statements means interest will be accruing on the remaining balance.

KEY

IRAs & Retirement Plans

Insurance

Credit

Tax Rates / Deductions / Exemptions / Forms

Home Buying