

IRAs & Qualified Plans

Contribution Limits

IRA or Roth IRA contribution limit	\$7,000
IRA or Roth IRA catch-up (age 50 or older)	\$1,000

Traditional IRA deduction phaseout

Participants in a retirement plan	
Single	\$77,000 - \$87,000
Married filing jointly	\$123,000 - \$143,000
Married filing separately	\$0 - \$10,000
Spousal IRA	\$230,000 - \$240,000

Roth IRA phaseout

Single	\$146,000 - \$161,000
Married filing jointly	\$230,000 - \$240,000

Qualified Plans

Elective deferrals to 401(k), 403(b), 457, and SARSEPs	\$23,000
Catch-up contribution (age 50 or older)	\$7,500
Defined contribution plan limit (Section 415(c)(1)(A))	\$69,000
Defined benefit plan limit (Section 415(b)(1)(A))	\$275,000

Simple IRA & SEP IRA

SEP IRA contribution limit	Lesser of \$69,000 or 25% of compensation
SIMPLE Plan contribution limit	\$16,000
Catch-up contribution (age 50 or older)	\$3,500
Maximum compensation limit for retirement plans	\$345,000
Key employee (top-heavy plans)	Above \$220,000
Highly compensated employee	\$155,000

Health Savings Account

Minimum Deductible Amount

Single	\$1,600
Family	\$3,200

Maximum Out-of-Pocket Amount

Single	\$8,050
Family	\$16,100

HSA Contribution Limit

Single	\$4,150
Family	\$8,300
Catch-up contribution (age 55 or older)	\$1,000

Education

Coverdell Education Savings Accounts

Contribution limit	\$2,000
Single phaseout	\$95,000 - \$110,000
Married filing jointly phaseout	\$190,000 - \$220,000

Lifetime Learning Credit - 20% of qualified expenses

Expense limit	\$10,000
Single phaseout	\$80,000 - \$90,000
Married filing jointly phaseout	\$160,000 - \$180,000

529 Plans

Eligible for college, apprenticeship, and trade school expenses, and up to \$10,000/year for private K-12 tuition. A lifetime limit of \$10,000 each can be used to repay the student loans of the beneficiary and each of his/her siblings.

Capital Gains & Qualified Dividends

For 2024, rates are applied to taxable income levels:

Tax Rate	Single	Married Filing Jointly	Trusts & Estates
0%	\$0 - \$47,025	\$0 - \$94,050	\$0 - \$3,150
15%	\$47,025 - \$518,900	\$94,050 - \$583,750	\$3,150 - \$15,450
20%	over \$518,900	over \$583,750	over \$15,450

(Short-term capital gains are taxed at income tax rates)

Medicare contribution tax on investment income*: 3.8%
 *Tax is applied to the lower of net investment income or modified adjusted gross income over certain thresholds (\$250,000 joint filers/\$200,000 single/\$15,200 Trusts and Estates).

Income Tax Rate Schedules

If Taxable Income Is: Then the Gross Tax Payable Is:

Over	But not over	Amount	Plus (%)	Of the amount over
Single Taxpayers				
\$0	\$11,600	-----10% of taxable income -----		
\$11,600	\$47,150	\$1,160	12%	\$11,600
\$47,150	\$100,525	\$5,426	22%	\$47,150
\$100,525	\$191,950	\$17,168.50	24%	\$100,525
\$191,950	\$243,725	\$39,110.50	32%	\$191,950
\$243,725	\$609,350	\$55,678.50	35%	\$243,725
\$609,350	-	\$183,647.25	37%	\$609,350
Married Filing Jointly				
\$0	\$23,200	-----10% of taxable income -----		
\$23,200	\$94,300	\$2,320	12%	\$23,200
\$94,300	\$201,050	\$10,852	22%	\$94,300
\$201,050	\$383,900	\$34,337	24%	\$201,050
\$383,900	\$487,450	\$78,221	32%	\$383,900
\$487,450	\$731,200	\$111,357	35%	\$487,450
\$731,200	-	\$196,669.50	37%	\$731,200

The income tax brackets for Married Filing Separately are half of the amounts for Married Filing Jointly. The brackets for Heads of Households generally fall between the brackets for single and joint filers.

Trusts & Estates

\$0	\$3,100	-----10% of taxable income -----		
\$3,100	\$11,150	\$310	24%	\$3,100
\$11,150	\$15,200	\$2,242	35%	\$11,150
\$15,200	-	\$3,659.50	37%	\$15,200

Kiddie tax: In 2024, the parent's marginal tax rate is used for a dependent child's unearned income over their deduction amount.

Income Tax Deductions and Credits

Single	\$14,600
Married filing jointly	\$29,200
Head of household	\$21,900
Married filing separately	\$14,600

Child Tax Credit

Qualifying Child (Children under age 17)	\$2,000
Dependents not eligible for Qualifying Child	\$500
Single phase out begins at	\$200,000
Married filing jointly phase out begins at	\$400,000

Elderly (over age 65) or blind additional deduction

Single	\$1,950
Married	\$1,550

Estate & Gift Tax

Individual estate tax exclusion (Federal) (Any unused amount can transfer to a surviving spouse)	\$13,610,000
Maximum estate tax rate	40%
Gift tax exclusion	\$13,610,000
Generation-skipping exclusion	\$13,610,000
Annual gift tax exclusion (per recipient)	\$18,000
Lump sum accelerated gift to a 529 plan (5-year rule)	\$90,000
Qualified Charitable Donation	\$105,000

States with an estate tax and/or inheritance tax: CT, DC, HI, IL, IA, KY, ME, MD, MA, MN, NE, NC, NY, OR, PA, RI, VT, and WA

Alternative Minimum Tax (AMT)

Status	Exemption	Phaseout
Single	\$85,700	\$609,350
Married filing jointly	\$133,300	\$1,218,700

Alternative Minimum Tax Rates

26% up to \$232,600 of AMT base
28% over \$232,600 of AMT base

Social Security

Social Security wage base	\$168,600
Social Security cost-of-living adjustment	3.2%
Quarter of coverage (earnings for Social Security)	\$1,730
Maximum benefit (worker retiring at FRA)	\$3,822
Estimated average monthly benefit	\$1,907

Social Security benefits are reduced if someone receives benefits and continues to work. The benefit is reduced \$1 for every \$2 or \$3 earned above \$22,320 (\$1,860/mo) in years prior to FRA and \$59,520 (\$4,960/mo) in the year FRA is reached, respectively. There is no reduction at FRA.

Businesses/Business Owners

For 2024, net business income is taxed at the following rates:

Corporations (C-Corps and similarly treated LLCs)

Corporate income tax rate:	21%**
Accumulated Earnings tax rate (plus interest):	20%*

Dividends paid to shareholders are taxable to them at ordinary income or capital gains tax rate(s), depending on the type of dividend.

*On retained earnings in excess of \$250,000 (\$150,000 for personal service corps.), except if to meet reasonable business needs.

**Certain large corporations (income >\$1Billion) subject to new AMT starting 2023. Remains no AMT for small & mid corporations.

Pass Through Entities

(Sole Props, Partnerships, S-Corps, and similarly treated LLCs)

Net business income is reported by the owner(s) and is taxed at his/her tax rates

Self-Employment Tax on wages, tips and net earnings	
Medicare Tax (on total amount)*:	2.9%
Social Security Tax (on the first \$168,600):	12.4%
Deduction for qualified business income**:	20.0%

*An Additional Medicare Tax of 0.9% is applied to amounts over certain thresholds (\$250,000 joint filers/\$200,000 single filer).

**The deduction is limited to the lesser of 20% of QBI or 20% of the owner's taxable income. Subject to phase out depending on the type of services provided if income is over \$383,900 (joint) or \$191,950 (single) as of 2024.

Important Dates & Deadlines

Deadlines for Traditional IRAs, Roth IRAs, and SEP IRAs

2023 Contributions	April 15, 2024
2024 Contributions	April 15, 2025
2024 Roth IRA Conversions	December 31, 2024

Required Minimum Distributions (RMDs)

New RMD age of 73 applies to all individuals as of 2023	
Age of IRA holder:	First RMD Deadline:
Turned 73 in 2024	April 1, 2025*

*Subsequent RMDs must be taken by December 31 of each year.

2023 Tax Form Mailing Deadlines for Custodians

Form 1099-R (Retirement Account Distributions)	January 31, 2024
Consolidated Form 1099s (Taxable Accounts)	February 15, 2024*
*Extended deadline for accounts holding certain securities (REITs, WHFITs, CMOs)	March 15, 2024
Form 5498 (Retirement Account Contributions)	May 31, 2024

2024 Estimated Tax Payments

For the period	Due date
January 1-March 31	April 15, 2024
April 1-May 31	June 17, 2024
June 1-August 31	September 16, 2024
September 1-December 31	January 15, 2025

New Major Legislation for 2023: SECURE Act 2.0

Consolidated Appropriations Act of 2023 (Signed into law on 12/29/2022)

- RMD starting age increased to 73 in 2023 and to 75 in 2033.
- IRA owners may make a one-time Qualified Charitable Distribution (QCD) of up to \$50,000 to a Charitable Remainder Trust (CRUT/ CRAT) or Charitable Gift Annuity.
- The 50% penalty for a missed RMD is reduced to 25%, or 10% if fixed within a timely matter.
- Employers may add a Roth option to SEPs and SIMPLE IRAs.
- Plans may allow employees to elect that employer contributions and matches be made on a Roth vs. a pre-tax basis (previously only pre-tax were allowed).
- Plan start-up costs credit increased from 50% to 100% for employers with less than 50 employees with a phased-out credit for 51-100 employees.
- 403(b) plans can participate in multiple employer plans (MEPs).

SECURE Act 2.0 Provisions Going into Effect 2024 or 2025

- Higher catch-up contribution limit for Plan participants ages 60 to 63 (150% of normal catch-up amount).
- Catch-up contributions (except to IRAs) must be made on a Roth/ after-tax basis if employee's wages exceed \$145,000.
- 529 Plans open for 15+ years can be rolled into a Roth IRA. Subject to annual IRA contribution limits and a lifetime max of \$35,000.
- Eliminates pre-death RMDs for Roth 401(k)s and 403(b)s to match existing RMD rules for Roth IRAs.
- Employers can make Plan contributions to match qualified student loan payments made by the employee.
- Automatic enrollment into 401(k) and 403(b) plans with initial deferrals of at least 3% and annual increases of 1% (until they reach 10%-15%). Applies to most new Plans opened 2024+.
- Certain part-time employees become eligible for 401(k)s and 403(b)s after 2 years of services (currently 3).

Corporate Transparency Act (Signed into Law 2021)

- Requires Beneficial Ownership disclosures for all existing small businesses by the end of 2024, and new businesses within 30 days of entity creation
- A Beneficial Ownership is defined as either;
 - Exercises substantial control over reporting entity
 - Owns or controls at least 25% of reporting entity
- Over 27 million small businesses are affected by this act