

SECURE ACT 2.0-2024 CHANGES

Here are 2024 retirement plan changes

The SECURE 2.0 Act of 2022 sets forth a number of changes affecting retirement plans in 2024. The changes can be made after December 31, 2023.

✓ Regarding mandatory Required Minimum Distributions (RMDs), they still must begin at age 73.

✓ Employers may transfer former employees' retirement accounts from a retirement plan to an individual retirement account (IRA) if their balances are greater than \$1,000 but no greater than \$5,000. For 2024 the act increases the limit from \$5,000 to \$7,000, effective for distributions made after December 31, 2023.

✓ Generally, an additional 10% tax applies to early distributions from tax-preferred retirement accounts, such as 401(k) plans and IRAs, unless an exception applies. The act provides an exception for certain distributions used for emergency expenses, which are "unforeseeable or immediate financial needs relating to personal or family emergency expenses." Only one distribution is permissible per year of up to \$1,000, and a participant has the option to repay the distribution within three years. No further emergency distributions are permissible during the three-year repayment period unless repayment occurs.

✓ A plan sponsor may amend its plan to offer short-term emergency savings accounts (ESAs) as part of a defined contribution plan. ESAs must be funded post-tax with Roth contributions, and participants may be automatically enrolled at a rate of up to 3% of compensation. Contributions are capped at \$2,500 (indexed for inflation) or a lower amount determined by the sponsor, and there cannot be minimum contribution or balance requirements. Participants must be allowed to take at least one withdrawal per month; the first four withdrawals per year cannot be subject to fees. ESAs may be invested in cash, interest-bearing deposit accounts, and principal preservation accounts. There is a fiduciary safe harbor for automatic enrollment.

✓ An employer may make matching contributions under a 401(k) plan, 403(b) plan, governmental 457(b) plan, or SIMPLE IRA with respect to "qualified student loan payments." A qualified student loan payment is broadly defined as any indebtedness incurred by the employee solely to pay qualified higher education expenses. For purposes of the nondiscrimination test applicable to elective contributions, the plan may test separately the employees who receive matching contributions on student loan repayments.

✓ The act allows the hardship distribution rules for Section 403(b) plans to those of Section 401(k) plans. As such, a 403(b) plan may distribute qualified nonelective contributions, qualified matching contributions, and earnings on any of these contributions (including elective deferrals). Also, distributions from a 403(b) plan are not treated as failing to be made upon hardship solely because the employee does not take available loans.

STANDARD MILEAGE RATES

| Use | 2024 | 2023 |
|------------|---------------|---------------|
| Business | .67 per mile | .655 per mile |
| Moving | .21 per mile* | .22 per mile* |
| Medical | .21 per mile | .22 per mile |
| Charitable | .14 per mile | .14 per mile |

*For members of the U.S. Armed Forces (or their spouse or dependents). The rates apply to EV's, hybrids, gas and diesel vehicles.

2024 FEDERAL TRUST AND ESTATE TAX

Estate Taxes

| | 2024 | 2023 |
|---|--------------|--------------|
| Estate tax exemption/Unified tax credit | \$13,610,000 | \$12,920,000 |
| Married Couple Estate Exemption | \$27,220,000 | \$25,840,000 |
| Top estate tax rate | 40% | 40% |

Gift Taxes

| | 2024 | 2023 |
|-----------------------------|--------------|--------------|
| Lifetime gift tax exemption | \$13,610,000 | \$12,920,000 |
| Annual gift tax exclusion | | |
| Gifts per person | \$18,000 | \$17,000 |
| Joint gifts by spouse | \$36,000 | \$34,000 |
| Top gift tax rate | 40% | 40% |

2024 FEDERAL TRUST AND ESTATE TAX

| If taxable income is: | The tax is: |
|-----------------------|--|
| \$ 0 - \$ 3,100 | 10% of the taxable income |
| \$ 3,101 - \$11,150 | \$ 310.00 + 24% of excess over \$ 3,100 |
| \$11,151 - \$15,200 | \$2,242.00 + 35% of excess over \$11,150 |
| \$15,201 - or more | \$3,659.50 + 37% of excess over \$15,200 |

LONG-TERM CARE INSURANCE

You may deduct this much of your annual premiums

| If your age is | 2024 | 2023 |
|----------------|----------|----------|
| Over 70 | \$ 5,880 | \$ 5,960 |
| 61 to 70 | \$ 4,710 | \$ 4,770 |
| 51 to 60 | \$ 1,760 | \$ 1,790 |
| 41 to 50 | \$ 880 | \$ 890 |
| 40 and under | \$ 470 | \$ 480 |

CAPITAL GAINS — 2024 & 2023

| Holding Period | Top Capital Gains Rate | |
|---|------------------------|--------------------|
| | 2024 | 2023 |
| 12 months or less | 37% ¹ | 37% ¹ |
| More than 12 months | 20% ^{1,2} | 20% ^{1,2} |
| Depreciation recapture on real estate | 25% | 25% |
| Collectibles and certain small business stock | 28% | 28% |

¹ Capital gain rates may be subject to an additional 3.8% Medicare tax.

² Rate for taxpayers in the top income tax bracket. (Middle income tax brackets pay 15%.)

2024 DEDUCTION FOR MORTGAGE INTEREST

✓ Deduction on interest for qualifying mortgages up to \$750,000 (\$375,000 if married/filing separately); homes under agreement before 12/15/17 for purchase prior to 1/1/18 (provided purchase occurred by 4/1/18) grandfathered under previous \$1,000,000 (\$500,000 if married/filing separately) limits.

✓ Interest on home equity lines of credit (HELOC) deductible in certain cases where proceeds are utilized to acquire or improve a residence.

2024 TAX POCKET TABLES

Updated With SECURE Act 2.0



Your Firm's Name,
Logo, and Contact
Information Here

2024 INDIVIDUAL INCOME TAX RATES*

Married Filing Jointly or Qualifying Widow (Widower)

| If Taxable Income Is Between: | Your Tax Is: | Of Amount Over: |
|-------------------------------|------------------|-----------------|
| \$ 0 – \$ 23,200 |10% | \$ 0 |
| \$ 23,200 – \$ 94,300 | \$ 2,320 + 12% | \$ 23,200 |
| \$ 94,300 – \$ 201,050 | \$ 10,852 + 22% | \$ 94,300 |
| \$ 201,050 – \$ 383,900 | \$ 34,227 + 24% | \$ 201,050 |
| \$ 383,900 – \$ 487,450 | \$ 78,221 + 32% | \$ 383,900 |
| \$ 487,450 – \$ 731,200 | \$ 111,357 + 35% | \$ 487,450 |
| \$ 731,200 and above | \$ 196,669 + 37% | \$ 731,200 |

Married Filing Separately

| If Taxable Income Is Between: | Your Tax Is: | Of Amount Over: |
|-------------------------------|-----------------|-----------------|
| \$ 0 – \$ 11,600 |10% | \$ 0 |
| \$ 11,600 – \$ 47,150 | \$ 1,160 + 12% | \$ 11,600 |
| \$ 47,150 – \$ 100,525 | \$ 5,426 + 22% | \$ 47,150 |
| \$ 100,525 – \$ 191,950 | \$ 17,168 + 24% | \$ 100,525 |
| \$ 191,950 – \$ 243,725 | \$ 39,110 + 32% | \$ 191,950 |
| \$ 243,725 – \$ 365,600 | \$ 55,678 + 35% | \$ 243,725 |
| \$ 365,600 and above | \$ 98,334 + 37% | \$ 365,600 |

Single

| If Taxable Income Is Between: | Your Tax Is: | Of Amount Over: |
|-------------------------------|------------------|-----------------|
| \$ 0 – \$ 11,600 |10% | \$ 0 |
| \$ 11,600 – \$ 47,150 | \$ 1,160 + 12% | \$ 11,600 |
| \$ 47,150 – \$ 100,525 | \$ 5,426 + 22% | \$ 47,150 |
| \$ 100,525 – \$ 191,950 | \$ 17,168 + 24% | \$ 100,525 |
| \$ 191,950 – \$ 243,725 | \$ 39,110 + 32% | \$ 191,950 |
| \$ 243,725 – \$ 609,350 | \$ 55,678 + 35% | \$ 243,725 |
| \$ 609,350 and above | \$ 183,647 + 37% | \$ 609,350 |

Head of Household

| If Taxable Income Is Between: | Your Tax Is: | Of Amount Over: |
|-------------------------------|------------------|-----------------|
| \$ 0 – \$ 16,550 |10% | \$ 0 |
| \$ 16,550 – \$ 63,100 | \$ 1,655 + 12% | \$ 16,550 |
| \$ 63,100 – \$ 100,500 | \$ 7,241 + 22% | \$ 63,100 |
| \$ 100,500 – \$ 191,950 | \$ 15,469 + 24% | \$ 100,500 |
| \$ 191,950 – \$ 243,700 | \$ 37,417 + 32% | \$ 191,950 |
| \$ 243,700 – \$ 609,350 | \$ 53,977 + 35% | \$ 243,700 |
| \$ 609,350 and above | \$ 181,954 + 37% | \$ 609,350 |

The 2024 tax rate on qualified dividends is 0%, 15% or 20%, (plus a 3.8% Medicare Surtax on the 20% bracket) depending on your taxable income and filing status.
Note: TAX AMOUNTS HAVE BEEN ROUNDED UP

FILING STATUS STANDARD DEDUCTION

| | 2024 | 2023 |
|--|----------|----------|
| Single; Married Filing Separately | \$14,600 | \$13,850 |
| Married Filing Jointly; Surviving Spouse | \$29,200 | \$27,700 |
| Head of Household | \$21,900 | \$20,800 |

If you're at least 65 years old or blind, you can claim an additional standard deduction of \$1,850 in 2024 (\$1,950 if you're claiming the single or head of household filing status).

If you're both 65 or older and blind, the additional deduction amount is DOUBLED.

2023 INDIVIDUAL INCOME TAX RATES*

Married Filing Jointly or Qualifying Widow (Widower)

| If Taxable Income Is Between: | Your Tax Is: | Of Amount Over: |
|-------------------------------|------------------|-----------------|
| \$ 0 – \$ 22,000 |10% | \$ 0 |
| \$ 22,000 – \$ 89,450 | \$ 2,200 + 12% | \$ 22,000 |
| \$ 89,450 – \$ 190,750 | \$ 10,294 + 22% | \$ 89,450 |
| \$ 190,750 – \$ 364,200 | \$ 32,580 + 24% | \$ 190,750 |
| \$ 364,200 – \$ 462,500 | \$ 74,208 + 32% | \$ 364,200 |
| \$ 462,500 – \$ 693,750 | \$ 105,664 + 35% | \$ 462,500 |
| \$ 693,750 and above | \$ 186,602 + 37% | \$ 693,750 |

Married Filing Separately

| If Taxable Income Is Between: | Your Tax Is: | Of Amount Over: |
|-------------------------------|-----------------|-----------------|
| \$ 0 – \$ 11,000 |10% | \$ 0 |
| \$ 11,000 – \$ 44,725 | \$ 1,100 + 12% | \$ 11,000 |
| \$ 44,725 – \$ 95,375 | \$ 5,147 + 22% | \$ 44,725 |
| \$ 95,375 – \$ 182,100 | \$ 16,290 + 24% | \$ 95,375 |
| \$ 182,100 – \$ 231,250 | \$ 37,104 + 32% | \$ 182,100 |
| \$ 231,250 – \$ 346,875 | \$ 52,832 + 35% | \$ 231,250 |
| \$ 346,875 and above | \$ 93,301 + 37% | \$ 346,875 |

Single

| If Taxable Income Is Between: | Your Tax Is: | Of Amount Over: |
|-------------------------------|------------------|-----------------|
| \$ 0 – \$ 11,000 |10% | \$ 0 |
| \$ 11,000 – \$ 44,725 | \$ 1,100 + 12% | \$ 11,000 |
| \$ 44,725 – \$ 95,375 | \$ 5,147 + 22% | \$ 44,725 |
| \$ 95,375 – \$ 182,100 | \$ 16,290 + 24% | \$ 95,375 |
| \$ 182,100 – \$ 231,250 | \$ 37,104 + 32% | \$ 182,100 |
| \$ 231,250 – \$ 578,125 | \$ 52,832 + 35% | \$ 231,250 |
| \$ 578,125 and above | \$ 174,238 + 37% | \$ 578,125 |

Head of Household

| If Taxable Income Is Between: | Your Tax Is: | Of Amount Over: |
|-------------------------------|------------------|-----------------|
| \$ 0 – \$ 15,700 |10% | \$ 0 |
| \$ 15,700 – \$ 59,850 | \$ 1,570 + 12% | \$ 15,700 |
| \$ 59,850 – \$ 95,350 | \$ 6,868 + 22% | \$ 59,850 |
| \$ 95,350 – \$ 182,100 | \$ 14,678 + 24% | \$ 95,350 |
| \$ 182,100 – \$ 231,250 | \$ 35,498 + 32% | \$ 182,100 |
| \$ 231,250 – \$ 578,100 | \$ 51,226 + 35% | \$ 231,250 |
| \$ 578,100 and above | \$ 172,624 + 37% | \$ 578,100 |

The 2023 tax rate on qualified dividends is 0%, 15% or 20%, (plus a 3.8% Medicare Surtax on the 20% bracket) depending on your taxable income and filing status.
Note: TAX AMOUNTS HAVE BEEN ROUNDED UP

PERSONAL EXEMPTIONS

| | 2018-2025 | 2017 |
|--|-----------|------------|
| Deduction for each taxpayer, spouse, and dependent * | \$0 | \$ 4,050 |
| There is an AGI phaseout beginning at: | | |
| Married, filing jointly | \$0 | \$ 313,800 |
| Married, filing separately | \$0 | \$ 156,900 |
| Single | \$0 | \$ 261,500 |
| Head of household | \$0 | \$ 287,650 |

* There are no personal exemption amounts for 2018 through 2025.

RETIREMENT PLANS

Indexed Contribution & Benefit Limits for Qualified Plans

| Type of Plan | 2024 | 2023 |
|--|------------|------------|
| Individual Retirement Accounts (IRAs)* | \$ 7,000 | \$ 6,500 |
| Section 401(k) plans or SAR-SEPs* | \$ 23,000 | \$ 22,500 |
| Section 403(b) plans* | \$ 23,000 | \$ 22,500 |
| Section 408(p)(2)(E) SIMPLE contributions* | \$ 16,000 | \$ 15,500 |
| Section 457(b)(2) limit* | \$ 23,000 | \$ 22,500 |
| Section 415 limit for: | | |
| Defined contribution plans | \$ 69,000 | \$ 66,000 |
| Defined benefit plans | \$ 275,000 | \$ 265,000 |
| Highly compensated employees Section 414(q) | \$ 155,000 | \$ 150,000 |
| FICA taxable wage base | | |
| Social Security | \$ 168,600 | \$ 160,200 |
| Medicare (tax rate 1.45% for employees; 2.90% for self-employed) | No limit | No limit |
| * Age 50 additional contributions | | |
| 401(k) type plans | \$ 7,500 | \$ 7,500 |
| SIMPLEs | \$ 3,500 | \$ 3,500 |
| IRAs | \$ 1,000 | \$ 1,000 |

Roth IRAs

| AGI limit for maximum contributions: | 2024 | 2023 |
|--------------------------------------|------------|------------|
| Joint filers | \$ 240,000 | \$ 218,000 |
| Individual filers | \$ 161,000 | \$ 153,000 |

Traditional IRAs

| AGI limits for full deductions: | 2024 | 2023 |
|---------------------------------|----------------------|----------------------|
| Joint filers | \$123,000-\$143,000* | \$116,000-\$136,000* |
| Individual filers | \$ 77,000-\$ 87,000 | \$ 73,000-\$ 83,000 |

* Depending on whether you or your spouse are covered by a plan at work. The income limit on converting traditional IRAs to Roth IRAs was eliminated in 2010.

SOCIAL SECURITY

| Annual Earned Income Limit | 2024 | 2023 |
|----------------------------|-----------|-----------|
| Under full retirement age | \$ 22,320 | \$ 21,240 |
| Full retirement age | No Limit | No Limit |

For people reaching full retirement age in 2024, the limit is \$59,520 for months prior to attainment. Beginning the month in which they turn full retirement age, there is no limit.

HEALTH SAVINGS ACCOUNTS

| Contribution Limits | 2024 | 2023 |
|-------------------------------------|----------|----------|
| Individual, self-only | \$ 4,150 | \$ 3,850 |
| Family Coverage | \$ 8,300 | \$ 7,750 |
| Catch-up for those age 55 and older | \$ 1,000 | \$ 1,000 |

For 2024, the minimum deductible for a high-deductible health plan (HDHP) is \$1,600 for self-only coverage and \$3,200 for family coverage. The maximum out-of-pocket limit is \$8,050 for self-only coverage and \$16,000 for family plans.

ALTERNATIVE MINIMUM TAX

| AMT Exemptions | 2024 | 2023 |
|----------------------------|------------|------------|
| Married, filing jointly | \$ 133,300 | \$ 126,500 |
| Married, filing separately | \$ 66,650 | \$ 63,250 |
| Single/Head of household | \$ 85,700 | \$ 81,300 |