

# Retirement Planning Today®

## 2024 Summary of Changes

### *Session 1*

#### **SECTION 1**

No changes

#### **SECTION 2**

No changes

#### **SECTION 3**

*Textbook Page 3-11*

*Presentation Slide 66*

#### **Tax Terms/Standard Deduction**

- ☐ Single or married filing separately: \$14,600
- ☐ Married filing jointly or qualifying widower: \$29,200
- ☐ Head of household: \$21,900

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### SECTION 3 Continued

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#### **2024 Federal Income Tax Brackets**

Filing Status	Taxable Income	Marginal Tax Bracket
Married Filing Jointly	\$0 - \$23,200	10%
	\$23,201 - \$94,300	12%
	\$94,301 - \$201,050	22%
	\$201,051 - \$383,900	24%
	\$383,901 - \$487,450	32%
	\$487,451 - \$731,200	35%
	Above \$731,200	37%
Head of Household	\$0 - \$16,550	10%
	\$16,551 - \$63,100	12%
	\$63,101 - \$100,500	22%
	\$100,501 - \$191,950	24%
	\$191,951 - \$243,700	32%
	\$243,701 - \$609,350	35%
	Above \$609,350	37%
Single	\$0 - \$11,600	10%
	\$11,601 - \$47,150	12%
	\$47,151 - \$100,525	22%
	\$100,526 - \$191,950	24%
	\$191,951 - \$243,725	32%
	\$243,726 - \$609,350	35%
	Above \$609,350	37%

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#### **IRA Contribution Amounts**

For 2024, individuals may contribute up to the lesser of \$7,000 per year (\$8,000 per year if over age 50) or 100% of earned income.

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*Presentation Slide 84*

#### Investment Tax Rates

Qualified Dividends & Long-term Capital Gains		
Single	Up to \$47,025	0%
	\$47,025 - \$291,850	15%
	Above \$291,850	20%
Married, Filing Jointly	Up to \$94,050	0%
	\$94,050 - \$583,750	15%
	Above \$583,750	20%

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### SECTION 4

*Textbook Pages 4-3 & 4-10*  
*Presentation Slides 94 & 107*

#### **2024 Contribution Limits for Traditional & Roth IRAs**

- ☐ Individuals may contribute 100% of earned income up to \$7,000 per year (\$8,000 per year if over age 50).
- ☐ Non-working spouses may contribute up to \$7,000 per year (\$8,000 per year if over age 50) if the working spouse has earned income.
- ☐ Married couples may contribute up to \$14,000 per year (\$15,000 if one spouse is over 50, \$16,000 if both spouses are over 50).
- ☐ 2023 contributions can be made until April 15, 2024

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*Presentation Slide 98*

#### **2024 Tax-Deductibility of IRA Contributions**

**If you ARE covered by a plan at work:**

**Filing Status: Single or Head of Household**

	<b>Modified AGI</b>
<b>Full Deduction</b>	\$77,000 or less
<b>Partial Deduction</b>	More than \$77,000 but less than \$87,000
<b>No Deduction</b>	\$87,000 or more

**Filing Status: Married Filing Jointly or Qualifying Widow(er)**

	<b>Modified AGI</b>
<b>Full Deduction</b>	\$123,000 or less
<b>Partial Deduction</b>	More than \$123,000 but less than \$143,000
<b>No Deduction</b>	\$143,000 or more

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### SECTION 4 Continued

*Textbook Page 4-6*

*Presentation Slide 100*

#### **2024 Tax-Deductibility of IRA Contributions**

**If you are NOT covered by a retirement plan at work, but your spouse is:**

**Filing Status: Married Filing Jointly**

	<b>Modified AGI</b>
Full Deduction	\$230,000 or less
Partial Deduction	More than \$230,000 but less than \$240,000
No Deduction	\$240,000 or more

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*Presentation Slide 102*

#### **Traditional IRAs / Traditional IRA Deductibility Phase-Out**

Traditional IRA Deductibility Phase-Out		
Filing year	Single filer, AGI	Married filing jointly, AGI
2024	\$77,000 - \$87,000	\$123,000 - \$143,000

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### SECTION 4 Continued

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*Presentation Slide 109*

#### **Roth IRAs / Participation Rules & Contribution Limits**

<b>2024 Income Limitations for Roth IRA Contributions</b>			
	Single filer	Married filing jointly	Married filing separately
Full contribution	Income less than \$146,000	Income less than \$230,000	None
Contribution less than \$7,000	Income \$146,000 but less than \$161,000	Income \$230,000 but less than \$240,000	Income less than \$10,000
Contribution not allowed	Income is \$161,000 or above	Income is \$240,000 or above	Income is \$10,000 or above

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*Presentation Slide 122*

#### **Social Security Footnote 1**

<sup>1</sup> Any income over the maximum taxable earnings of \$168,600 in 2024 will not count towards this calculation or increase your benefits.

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*Presentation Slide 126*

#### **Retirement Earnings Penalty**

Age	Benefit reduction per income earned
Age 62 to end of year prior to full retirement age	\$1 of every \$2 (50%) above annual income of \$22,320
In the year you reach full retirement age	\$1 of every \$3 (33%) above annual income of \$59,520
Full retirement age	No reduction or earnings limit

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### **SECTION 4 Continued**

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*Presentation Slide 157*

#### **401(k) Plans**

Year	Annual Contribution Limit	Additional Catch-up Limit
2024	\$23,000	\$7,500

- ☐ The total combination of employee contributions, employer contributions and profit sharing amounts are limited to the lesser of 100% of annual employee compensation or \$69,000

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*Presentation Slide 167*

#### **403(b) Plans**

Year	Annual Contribution Limit	Additional Catch-up Limit
2024	\$23,000	\$7,500

- ☐ The total combination of employee contributions, employer contributions and profit sharing amounts are limited to the lesser of 100% of annual employee compensation or \$69,000

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#### **SEP-IRA**

- ☐ Annual contributions by employers on behalf of an employee cannot exceed the lesser of 25% of participant compensation, not to exceed \$345,000, or \$69,000.

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### SECTION 4 Continued

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*Presentation Slide 177*

#### **SIMPLE Plans**

Year	Annual Contribution Limit	Additional Catch-up Limit
2024	\$16,000	\$3,500

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*Presentation Slide 182*

#### **457 Plans (Textbook Page 4-41, Presentation Slide 182)**

Year	Annual Contribution Limit	Additional Catch-up Limit
2024	\$23,000	\$7,500



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## Session 2

### **SECTION 5**

No changes

### **SECTION 6**

No changes

### **SECTION 7**

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*Presentation Slides 115 & 116*

#### **Affordable Care Act (ACA)**

- ☐ Plans cannot have lifetime limits. In 2024, annual out-of-pocket maximum spending limits are \$9,450 for individuals or \$18,900 for a family.
- ☐ In 2024, IRs out-of-pocket limits for high deductible health plans (HDHPs) are \$8,050 for individuals or \$16,100 for a family.

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*Presentation Slides 121 & 122*

#### **Medicare Insurance Premiums**

- ☐ Medicare Part A:
  - 30 – 39 qualifying quarters = \$278 per month
  - Less than 30 qualifying quarters - \$505 per month
- ☐ Medicare Part B:
  - In 2024, most people will pay a monthly premium of \$174.70. If your modified adjusted gross income was more than \$103,00 for a single filer or \$206,000 for married filing jointly, you may pay even more.

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## Session 2

### **SECTION 8**

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*Presentation Slides 168 & 170*

#### **Transfer Taxes**

- ☐ Gift Tax: Gift taxes are only owed on gifts that exceed both the annual limit of \$18,000 (2024) per recipient and the \$13,610,000 lifetime gift tax exemption. In addition, only gifts that exceed the \$18,000 limit reduce the \$13,610,000 lifetime limit. Gifts given to charity, or a spouse are generally exempt from this tax.
- ☐ Applicable Exclusion Amount: In 2024, the applicable exclusion amount is \$13,610,000.

#### **Footnote 1**

<sup>1</sup>Non-citizen spouses receive an annual gift exemption amount. The 2024 amount is \$185,000.

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*Presentation Slide 172*

#### **Transfer Taxes / Tax Exclusion Limits & Maximum Tax Rates**

Year of death exclusion	Lifetime gift tax exclusion	Estate tax	Maximum tax rate
2024	\$13,610,000	\$13,610,000	40%