

Contribution Limitations for 2023 & 2024 IRA, Roth IRA or Simple IRA

The following is a summary of recent law changes and an update of certain IRS limitations due to cost-of-living increases.

You are encouraged to consult with a tax advisor with respect to any tax questions to determine how these changes may affect your personal situation.

Contribution Information

Annual IRA and Roth IRA Contribution Limit:

<u>Tax Years</u>	<u>Annual IRA/Roth Contribution Limit</u>	<u>Annual IRA/Roth Catch-Up Contribution for Age 50 or Older</u>	<u>Combined Maximum Annual IRA Contribution for Age 50 or older (Including Catch-Up)</u>
2024	\$7,000*	\$1,000	\$8,000
2023	\$6,500*	\$1,000	\$7,500

*After 2009, the maximum IRA contribution limit will be indexed for cost-of-living in \$500 increments.

Adjusted Grosse Income (AGI) Limits for Deductible Contributions to a Traditional IRA

If you are married to someone who is an active participant in an employer-sponsored retirement plan, but you are not and your tax filing status is married filing jointly, then your Phase-out range is as follow:

<u>Year</u>	<u>Married Taxpayers Filing Joint Returns</u>
2024	\$230,000 - \$240,000
2023	\$218,000 - \$228,000

For "active participants" in an employer-sponsored retirement plan, full deduction is phased out between the following modified AGI limits:

<u>Year</u>	<u>Married Taxpayers Filing Joint Returns</u>	<u>Married Taxpayers Filing Separately</u>	<u>Single Taxpayers</u>
2024	\$123,000 - \$143,000	\$0 - \$10,000	\$77,000 - \$87,000
2023	\$116,000 - \$136,000	\$0 - \$10,000	\$73,000 - \$83,000

AGI Limits for Roth IRA Contributions

Eligibility to make annual Roth IRA contributions is phased out between the following modified AGI limits:

<u>Year</u>	<u>Married Taxpayers Filing Joint Returns</u>	<u>Married Taxpayers Filing Separately</u>	<u>Single Taxpayers</u>
2024	\$230,000 - \$240,000	\$0 - \$10,000	\$146,000 - \$161,000
2023	\$218,000 - \$228,000	\$0 - \$10,000	\$138,000 - \$153,000

Please refer to your IRA Disclosure Statement, or IRS Publication 590, "Individual Retirement Arrangements", to calculate the amount of your contribution if you are subject to the above limits.

Savers Credit for IRA Contributions

This tax credit was originally available for contributions made for taxable years beginning after December 31, 2001, and before January 1, 2007, under EGTRRA. The credit was made permanent under PPA. As a result of PPA, the AGI limits which determine eligibility to receive the tax credit will now be subject to cost-of-living adjustments (COLA).

Adjusted Gross Income for 2024

Credit Rate of <u>Your Contribution</u>	Married Filing <u>Jointly</u>	Head of <u>Household</u>	<u>All Other Filers*</u>
50%	\$1 – \$46,000	\$1 – \$34,500	\$1 – \$23,000
20%	\$46,001 – \$50,000	\$34,501 – \$37,500	\$23,001 – \$25,000
10%	\$50,001 – \$76,500	\$37,501 – \$57,375	\$25,001 – \$38,250
0%	More than \$76,500	More than \$57,375	More than \$38,250

Adjusted Gross Income for 2023

Credit Rate of <u>Your Contribution</u>	Married Filing <u>Jointly</u>	Head of <u>Household</u>	<u>All Other Filers*</u>
50%	\$1 – \$43,500	\$1 – \$32,625	\$1 – \$21,750
20%	\$43,501 – \$47,500	\$32,626 – \$35,625	\$21,751 – \$23,750
10%	\$47,501 – \$73,000	\$35,626 – \$54,750	\$23,751 – \$36,500
0%	More than \$73,000	More than \$54,750	More than \$36,500

*Single, married filing separately, or qualifying widow(er)

Simple Employee Pension (SEP)-IRA Contributions

If you are a participant in a SEP plan offered by your employer, your employer may make annual SEP contributions on your behalf up to the lesser of 25% of compensation or \$69,000 per participant for 2024 (\$66,000 for 2023). The limit is indexed for cost-of-living adjustments in \$1,000 increments in subsequent years. An employee cannot be excluded if his annual compensation is over \$750 (for 2023 and 2024). The maximum compensation on which contributions to SEPs and Salary Reduction Arrangement Simplified Employee Pensions (SARSEPs) can be based is \$345,000 in 2024 (\$330,000 in 2023) and indexed for cost-of-living adjustments in \$5,000 increments in subsequent years. Elective deferrals to SARSEPs are also subject to the limits described below. Additionally, SARSEP participants who reach age 50 by December 31 of the tax year for time corresponding contribution may be able to contribute an additional catch-up contribution, if the plan allows.

<u>Year</u>	<u>Annual Elective Deferral Limit</u>	<u>Catch-up Contributions for Participants at Least Age 50</u>	<u>Maximum Annual Elective Deferral Limit for Participants at Least Age 50 (Including Catch-Up)</u>
2024	\$23,000	\$7,500	\$30,500
2023	\$22,500	\$7,500	\$30,000

Simple IRA Salary Deferral limits are \$16,000 and \$15,500 for 2024 and 2023, respectively. Maximum catch-up contribution is \$3,500 and \$3,500 for 2024 and 2023, respectively.