

2024 Tax Planning Guide

Tax brackets for 2024

Married, filing jointly (%)	Single (%)
\$0–\$23,200 10.0	\$0–\$11,600 10.0
\$23,201–\$94,300 12.0	\$11,601–\$47,150 12.0
\$94,301–\$201,050 22.0	\$47,151–\$100,525 22.0
\$201,051–\$383,900 24.0	\$100,526–\$191,950 24.0
\$383,901–\$487,450 32.0	\$191,951–\$243,725 32.0
\$487,451–\$731,200 35.0	\$243,726–\$609,350 35.0
Over \$731,200 37.0	Over \$609,350 37.0
Married, filing separately (%)	Head of household (%)
\$0–\$11,600 10.0	\$0–\$16,550 10.0
\$11,601–\$47,150 12.0	\$16,551–\$63,100 12.0
\$47,151–\$100,525 22.0	\$63,101–\$100,500 22.0
\$100,526–\$191,950 24.0	\$100,501–\$191,950 24.0
\$191,951–\$243,725 32.0	\$191,951–\$243,700 32.0
\$243,726–\$365,600 35.0	\$243,701–\$609,350 35.0
Over \$365,600 37.0	Over \$609,350 37.0
Estates and trusts (%)	
\$0–\$3,100 10.0	
\$3,101–\$11,150 24.0	
\$11,151–\$15,200 35.0	
Over \$15,200 37.0	

Long-term capital gains/ qualified dividend rates

0.0% rate when taxable income is below:	
Married, filing jointly	\$94,050
Married, filing separately	\$47,025
Head of household	\$63,000
Single	\$47,025
Estates and trusts	\$3,150
15.0% rate when taxable income is below:	
Married, filing jointly	\$583,750
Married, filing separately	\$291,850
Head of household	\$551,350
Single	\$518,900
Estates and trusts	\$15,450
20.0% rate applies to higher taxable income amounts; 28.0% rate applies to capital gains on collectibles	
Standard deduction	
Married, filing jointly	\$29,200
Single	\$14,600
Married, filing separately	\$14,600
Head of household	\$21,900
Blind or over 65: additional \$1,550 if married; \$1,950 if single and not a surviving spouse	
Capital loss limit	
Married, filing jointly	\$3,000
Single	\$3,000
Married, filing separately	\$1,500
If your capital loss exceeds your capital gains	

Estate and gift tax

Transfer tax rate (maximum)	40%
Estate tax exemption	\$13,610,000
Gift tax exemption	\$13,610,000
Generation-skipping transfer exemption	\$13,610,000
Annual gift tax exclusion	\$18,000

Education

529 education savings plans	
529 plan contributions, per individual	\$18,000 per year before gift tax
529 plan contributions, per couple	\$36,000 per year before gift tax
Accelerate 5 years of gifting per individual	\$90,000
Per couple	\$180,000
Lifetime learning credits	
Maximum credit	\$2,000
Phaseout—single	\$80,000–\$90,000 MAGI ¹
Phaseout—joint	\$160,000–\$180,000 MAGI ¹
Coverdell education savings account	
Contribution	\$2,000
Phaseout—single	\$95,000–\$110,000 MAGI ¹
Phaseout—joint	\$190,000–\$220,000 MAGI ¹
Student loan interest	
Deduction limit	\$2,500
Phaseout—single	\$80,000–\$95,000 MAGI ¹
Phaseout—joint	\$165,000–\$195,000 MAGI ¹
Phaseout of tax-free savings bonds interest	
Single	\$96,800–\$111,800 MAGI ¹
Joint	\$145,200–\$175,200 MAGI ¹
American opportunity tax credit	
Maximum credit	\$2,500
Phaseout—single	\$80,000–\$90,000 MAGI ¹
Phaseout—joint	\$160,000–\$180,000 MAGI ¹

Kiddie tax

Earned income is taxed at single tax bracket rates.
Unearned income in excess of \$2,600 is taxed at the rates of the child's parents.

Retirement

IRA and Roth IRA contributions	
Under age 50	\$7,000
Aged 50 and over	\$8,000
Phaseout for deducting IRA contributions	
(for qualified plan participants only)	
Married, filing jointly	\$123,000–\$143,000 MAGI ¹
Married, filing jointly ²	\$230,000–\$240,000 MAGI ¹
Single or head of household	\$77,000–\$87,000 MAGI ¹
Phaseout of Roth contribution eligibility	
Married, filing jointly	\$230,000–\$240,000 MAGI ¹
Married, filing separately	\$0–\$10,000 MAGI ¹
Single	\$146,000–\$161,000 MAGI ¹
SEP contribution	
Up to 25% of compensation	Limit \$69,000
To participate in SEP	\$750
SIMPLE elective deferral	
Under age 50	\$16,000
Aged 50 and over	\$19,500
Qualified plan contributions	
401(k), 403(b), 457, and SARSEP	\$23,000
Aged 50 and over	\$30,500
Limit on additions to defined contribution plan	\$69,000
Benefit limit on defined benefit plan	\$275,000
Highly compensated employee makes	\$155,000
Annual compensation taken into account for qualified plans	\$345,000

¹ Modified adjusted gross income ² Phaseout occurs when an IRA contributor isn't a participant in a qualified plan but the spouse is.

SECURE ACE 2.0 - What You Need To Know

The Setting Every Community Up for Retirement Enhancement (SECURE) Act 2.0 was signed into law at the end of 2022, bringing many current and future enhancements to qualified retirement plans. The new provisions enable employers, the federal government, and the retirement plan industry to help Americans save more for retirement.

Increased ages for RMDs

Effective January 1, 2023, for individuals born after 1950, the age when they must begin taking required minimum distributions (RMDs) rises from 72 to 73. A person born in 1951 does not have to take an RMD until 2024 and can delay the first RMD until April 1, 2025. Beginning in 2033, the minimum age will rise to 75. In addition, the excise tax for delayed or insufficient RMDs is reduced from 50% to 25%, effective January 1, 2023.

Expanding automatic features

Starting in 2025, employers offering new 401(k) and 403(b) plans will be required to automatically enroll workers at 3% to 10% of the employee's pay. Automatic escalation will also be required for these plans, increasing contributions by 1% a year, up to 10% to 15% of compensation.

Emergencies become exempt from 10% penalty

Starting in 2024, Americans under age 59½ can withdraw up to \$1,000 for an unforeseeable personal or family expense (subject to certain conditions) without paying the additional 10% tax on early withdrawals.

Saver's Credit to be payable as a match

Starting in 2027, the existing retirement savings contributions credit (Saver's Credit) will become a matching contribution from the federal government available for lower- and middle-income workers.

Increased catch-up contributions

Beginning in 2025, people ages 60 to 63 will have increased catch-up contribution limits, capped at the greater of:

- \$10,000, or
- 50% more than the regular catch-up amount for the year.

Roth enhancements

For 401(k), 403(b), and governmental 457(b) plans:

- Roth distributions are no longer subject to RMD rules, aligning with Roth IRAs.
- Employers may now make Roth matching or nonelective contributions, if they choose to.

Required minimum distributions

The Uniform Lifetime Table can be used by all IRA owners, unless their sole beneficiary for the entire year is a spouse who is more than 10 years younger. Then the Joint Life Expectancy Table is used (see IRS Pub. 590-B), which could reduce the RMD. Taking into account changes in mortality rates, the IRS has updated both tables, effective for RMDs required for tax years beginning in 2023. As a result of the SECURE Act 2.0, effective January 1, 2023, the minimum age at which IRA owners are required to take RMDs rose from 72 to 73; the age increases to 75 beginning January 1, 2033.

Uniform Lifetime Table³

Age of account owner	Divisor	Age of account owner	Divisor	Age of account owner	Divisor
73	26.5	83	17.7	93	10.1
74	25.5	84	16.8	94	9.5
75	24.6	85	16.0	95	8.9
76	23.7	86	15.2	96	8.4
77	22.9	87	14.4	97	7.8
78	22.0	88	13.7	98	7.3
79	21.1	89	12.9	99	6.8
80	20.2	90	12.2	100	6.4
81	19.4	91	11.5		
82	18.5	92	10.8		

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