



Key Highlights

2024 Contribution Limits

The IRS recently announced their cost-of-living adjustments for 2024 affecting contribution limits for pension plans and other retirement related items. All of this information can be found at <https://www.irs.gov>, but here are the key highlights:

401(k), 403(b), most 457 Plans, and Federal Government Thrift Plans

- Contribution limit increased from \$22,500 to **\$23,000**.
- Catchup limit for employees 50 & over remained unchanged at **\$7,500**.
- Total plan contribution limit increased from \$66,000 to **\$69,000** per person (plus catch-up if eligible).

IRA Contributions

- Contribution limit increased from \$6,500 to **\$7,000**.
- Catch-up contribution for individuals ages 50 and over remains at **\$1,000**.

SEP IRA Contributions

- Contribution limit increased from \$66,000 to **\$69,000**.
- Contributions an employer can make to an employee's SEP-IRA in 2024 cannot exceed the lesser of:
 - 25% of the employee's compensation, or
 - \$69,000

SIMPLE Retirement Account

- Contribution limit increased from \$15,500 to **\$16,000**. (plus \$3,500 catch-up if eligible)

Defined Benefit Plans

- The maximum annual benefit that may be provided through a defined benefit plan increased from \$265,000 to **\$275,000**.

Roth IRA Income Phase-Out Range

- Single & Head of Household - **\$146,000 to \$161,000**.
- Married, Filing Jointly - **\$230,000 to \$240,000**.



If you want to know how these changes may impact you, you should speak with your accountant and coordinate changes in your plan with your financial advisor.



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Phaseout for Deducting IRA Contributions

Taxpayers can deduct contributions to a traditional IRA if they meet certain conditions. If during the year either the taxpayer or the taxpayer's spouse was covered by a retirement plan at work, the deduction may be reduced, or phased out, until it is eliminated, depending on filing status and income. (If neither the taxpayer nor the spouse is covered by a retirement plan at work, the phase-outs of the deduction do not apply.) Here are the phase-out ranges for 2024:

- For single taxpayers covered by a workplace retirement plan, the phase-out range is increased to between **\$77,000 and \$87,000** MAGI, up from between \$73,000 and \$83,000 MAGI.
- For married couples filing jointly, if the spouse making the IRA contribution is covered by a workplace retirement plan, the phase-out range is increased to between **\$123,000 and \$143,000** MAGI, up from between \$116,000 and \$136,000 MAGI.
- For an IRA contributor who is not covered by a workplace retirement plan and is married to someone who is covered, the phase-out range is increased to between **\$230,000 and \$240,000** MAGI, up from between \$218,000 and \$228,000 MAGI.
- For a married individual filing a separate return who is covered by a workplace retirement plan, the phase-out range is not subject to an annual cost-of-living adjustment and remains between **\$0 and \$10,000** MAGI.

IRS Annual Compensation Limit

- Limit increased from \$330,000 to **\$345,000**.