

2024 Tax Considerations

Exploring how tax changes impact retirement plans and accounts, health savings accounts, Social Security and gifting

In 2024, there are new limitations to some retirement plans, benefit plans and gifts due to cost-of-living adjustments by the Internal Revenue Service and the Social Security Administration.

The following provides a guide to understanding those changes by providing 2024 changes in comparison to 2023. Please review with your advisor and your tax accountant to understand how these changes may impact your plan.

Retirement plans and accounts		2023 \$ limit	2024 \$ limit
IRA	Traditional and Roth IRA contribution limit	6,500	7,000
	Catch-up limit for individuals age 50 and older	1,000	1,000
SIMPLE IRA	Elective deferral limit	15,500	16,000
	Catch-up limit for individuals age 50 and older	3,500	3,500
	Maximum employer match (\$1 for \$1 match on the first 3% of employee compensation deferred)	15,500	16,000
	Maximum employer nonelective contributions (2% of eligible employee compensation, up to \$330k in 2023/\$345k in 2024)	6,600	6,900
	Catch-up deferral is also matched by employer if individual is age 50 or older.	3,500	3,500
SEP IRA	Maximum SEP contribution	66,000	69,000
	SEP compensation exclusion (Minimum annual compensation required)	750	750
401(k), SARSEP, 403(b) and 457	Elective deferral limit	22,500	23,000
	Catch-up limit for individuals age 50 and older	7,500	7,500
Profit-sharing, 401(k), SEP IRA and money purchase plan	Defined contribution limit [415(c) limit]	66,000	69,000
	Employee annual compensation limit	330,000	345,000
401(k), SARSEP and 457	Highly compensated employee	150,000	155,000
Profit-sharing, 401(k) and money purchase plan	Top-heavy plan key employee compensation limit	215,000	220,000
Defined benefit	Maximum annual benefit at retirement	265,000	275,000

Social Security		2023 \$ limit	2024 \$ limit
Social Security taxable wage base		160,200	168,600
Maximum earnings for individuals under normal retirement age before Social Security benefits are reduced. One dollar in benefits will be withheld for every \$2 in earnings above the limit.		21,240 (1,770/mo)	22,320 (1,860/mo)
Maximum benefit depends on the age you retire. Amount displayed is the maximum benefit at full retirement age. ¹		3,627	3,822

Health savings accounts		2023 \$ limit	2024 \$ limit
Maximum contribution limit	Single	3,850	4,150
	Family	7,750	8,300
	Catch-up (age 55 by the end of the year)	1,000	1,000
Minimum annual deductible for high single deductible health plan (HDHP)	Single	1,500	1,600
	Family	3,000	3,200
HDHP maximum out-of-pocket expenses	Single	7,500	8,050
	Family	15,000	16,100

Gift tax exclusion		
Filing status	2023 \$ limit	2024 \$ limit
Single or head of household	17,000	18,000
Married filing jointly	34,000	36,000

Modified adjusted gross income (MAGI) phase-out ranges² Traditional IRA deduction when taxpayer is covered by retirement plan at work		
Filing status	2023 \$ limit	2024 \$ limit
Single or head of household	>73,000 but <83,000	>77,000 but <87,000
Married filing jointly	>116,000 but <136,000	>123,000 but <143,000
Married filing jointly for non-covered spouse with a spouse who is an active participant	>218,000 but <228,000	>230,000 but <240,000

MAGI phase-out ranges for Roth IRA annual contributions³		
Filing status	2023 \$ limit	2024 \$ limit
Single, head of household, or married filing separately and you did not live with your spouse at any time during the year	≥138,000 but <153,000	≥146,000 but <161,000
Married filing jointly	≥218,000 but <228,000	≥228,000 but <240,000

1. <https://www.ssa.gov/pubs/EN-05-10035.pdf>

2. <https://www.irs.gov/retirement-plans/plan-participant-employee/2024-ira-contribution-and-deduction-limits-effect-of-modified-agi-on-deductible-contributions-if-you-are-covered-by-a-retirement-plan-at-work>

3. <https://www.irs.gov/retirement-plans/plan-participant-employee/amount-of-roth-ira-contributions-that-you-can-make-for-2024>

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