

Important facts to know that impact your 2024 financial planning

Every year, a variety of governmental agencies and programs announce the annual contribution limits, tax rates and payment requirements. We have consolidated these for you to serve as a handy reference guide as you review your financial plan at least annually with your wealth advisor.

Important note: This 2024 data may change based on pending legislation. We will keep this document current as additional updates are required.

RETIREMENT PLAN CONTRIBUTION LIMITS (2024)

Retirement Plans	Annual contribution limit
Elective deferrals 401(k), 403(b), 457, and SARSEPs	\$23,000
Catch-up contribution	\$7,500
Defined contribution (\$415(c)(1)(A))	\$69,000
Defined benefit (\$415(b)(1)(A))	\$275,000
SIMPLE plan	\$16,000
SIMPLE catch-up contribution	\$3,500
Maximum includible compensation	\$345,000
Highly compensated employee	
Lookback to 2023	\$150,000
Lookback to 2024	\$155,000
Key employee (top-heavy plan)	>\$220,000
SEP participation limit	\$750
IRA or Roth IRA contribution limit	\$7,000
IRA or Roth IRA catch-up	\$1,000
IRA deduction phaseout for active participants	
Single	\$77,000–\$87,000
Married filing jointly	\$123,000–\$143,000
Married filing separately	\$0–\$10,000
Non-active participant married to active participant	\$230,000–\$240,000
Roth IRA phaseout	
Single	\$146,000–\$161,000
Married filing jointly	\$230,000–\$240,000

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2024 MEDICARE PREMIUMS AND OUT OF POCKET EXPENSES

Talk to your wealth advisor about how supplemental insurance can help cover these expenses.

Monthly premium	Part A ¹	\$505
	Part B ²	\$174.70
Part A (patient payments)	First 60 days	\$1,632 deductible
	Next 30 days	\$408 per day
	Next 60 days (lifetime reserve days)	\$816 per day
Skilled nursing benefits (patient payments)	First 20 days	\$0 per day
	Next 80 days	\$204 per day
	Over 100 days	All costs
Part B	Deductible	\$240
	Coinsurance	20%
Part D (Prescription Standard Benefit Model)	Deductible	Deductible \$545
	Coinsurance	25% on next \$5,030
	Out-of-pocket (OOP) threshold	\$8,000
	Beneficiary then pays coinsurance amount for additional covered expenses.	

2024 MEDICARE PART B PREMIUM RATES

You pay		If your 2022 income was:	
Premium	Part D Surcharge	Single	Married Couple
\$174.70		\$103,000 or less	\$206,000 or less
\$244.60	\$12.90	\$103,001–\$129,000	\$206,001–\$258,000
\$349.40	\$33.30	\$129,001–\$161,000	\$258,001–\$322,000
\$454.20	\$53.80	\$161,001–\$193,000	\$322,001–\$386,000
\$559.00	\$74.20	\$193,001–\$500,000	\$386,001–\$750,000
\$594.00	\$81.00	Above \$500,000	Above \$750,000
You Pay	Part D Surcharge	If you are married, filing separately, and your 2022 income was:	
\$174.70		\$103,000 or less	
\$559.00	\$74.20	\$103,001–\$397,000	
\$594.00	\$81.00	Above \$397,000	

SOCIAL SECURITY FRA, WAGE BASE
AND TAX RATES

Social Security wage base	\$168,600
FICA tax rate—employee ²	7.65%
SECA tax rate—self-employed	15.30%
Earnings limitation:	
Below FRA (\$1 for \$2)	\$22,320
Persons reaching FRA (\$1 for \$3)	\$59,520
<i>(Applies only to earnings for months prior to attaining FRA)</i>	
Cost-of-living adjustment	3.20%
Quarter of coverage	\$1,730
Maximum benefit: worker retiring at FRA	\$3,822
Estimated average monthly benefit	\$1,907

SOCIAL SECURITY FRA

Year of Birth	Social Security FRA
1943–54	66
1955	66 and 2 months
1956	66 and 4 months
1957	66 and 6 months
1958	66 and 8 months
1959	66 and 10 months
1960 and later	67

For more information, please see definitions. | 1. The Part A premium of \$506 per month applies to persons who have fewer than 30 quarters of coverage under Social Security. For those having 30-39 quarters, the Part A Premium is \$278 per month. | 2. The FICA tax rate is comprised of two separate payroll taxes: Employer portion—6.20% for Old-Age, Survivors, and Disability Insurance (OASDI), and 1.45% for Hospital Insurance (HI); Employee portion—6.20% for Old-Age, Survivors, and Disability Insurance (OASDI), and 1.45% for Hospital Insurance (HI). For self-employed, the SECA is 12.40% for OASDI and 2.90% for HI. | Source: medicare.gov | ssa.gov.

Federal tax rates, deductions, AMT and capital gains rates

2024 TAX RATE SCHEDULES

If your income is:		Then the Gross Tax Payable is:		
Over	But Not Over	Amount	Plus (percent)	Of the Amount Over
Single Taxpayers (other than surviving spouses and heads of households)				
\$0	\$11,600	10% of taxable income		
11,600	47,150	1,160.00	12%	11,600
47,150	100,525	5,426.00	22%	47,150
100,525	191,950	17,168.50	24%	100,525
191,950	243,725	39,110.50	32%	191,950
243,725	609,350	55,678.50	35%	243,725
609,350	—	183,647.25	37%	609,350
Heads of Households				
\$0	\$16,500	10% of taxable income		
16,500	63,100	1,655.00	12%	16,550
63,100	100,500	7,242.00	22%	63,100
100,500	191,950	15,470.00	24%	100,500
191,950	243,700	37,418.00	32%	191,950
243,700	609,350	53,978.00	35%	243,700
609,350	—	181,955.50	37%	609,350
Married Individuals (and surviving spouses) Filing Joint Returns				
\$0	\$23,200	10% of taxable income		
23,200	94,300	2,320.00	12%	23,200
94,300	201,050	10,852.00	22%	94,300
201,050	383,900	34,337.00	24%	201,050
383,900	487,450	78,221.00	32%	383,900
487,450	731,200	111,357.00	35%	487,450
731,200	—	196,669.50	37%	731,200
Married Individuals Filing Separate Returns				
\$0	\$11,600	10% of taxable income		
11,600	47,150	1,160.00	12%	11,600
47,150	100,525	5,426.00	22%	47,150
100,525	191,950	17,168.50	24%	100,525
191,950	243,725	39,110.50	32%	191,950
243,725	365,600	55,678.50	35%	243,725
365,600	—	98,334.75	37%	365,600
Fiduciary (estates and trusts) Taxpayers				
\$0	\$3,100	10% of taxable income		
3,100	11,150	310.00	24%	3,100
11,150	15,200	2,242.00	35%	11,150
15,200	—	3,659.50	37%	15,200

INCOME TAX

Standard deduction	Single	\$14,600
	Married filing jointly	\$29,200
	Head of household	\$21,900
	Married filing separately	\$14,600
	Kiddie tax limited standard deduction	\$1,300
	Individual eligible to be claimed as dependent	Greater of \$1,300 or earned income plus \$400, not to exceed full standard deduction of \$14,600
Elderly or blind additional deduction	Single	\$1,950
	Married	\$1,550
Section 179	Maximum election	\$1,220,000
	Phaseout begins	\$3,050,000
Adoption credit (nonrefundable)	Maximum	\$16,810
	Phaseout	\$252,150–\$292,150
Medicare Contribution tax and additional Medicare tax	Single	\$200,000
	Head of household	\$200,000
	Married filing jointly	\$250,000
Child tax credit	Dependent under age 17	\$2,000
	Other dependents	\$500
	Phaseout (\$50 for every \$1,000 over)	
	Single	\$200,000
	Married filing jointly	\$400,000

LONG-TERM CAPITAL GAINS RATES BASED ON TAXABLE INCOME

Filing Status	0% rate	15% rate	20% rate
Single	up to \$47,025	\$47,026–\$518,900	over \$518,900
Head of household	up to \$63,000	\$63,001–\$551,350	over \$551,350
Married filing jointly	up to \$94,050	\$94,050–\$583,750	over \$583,750
Married filing separately	up to \$47,025	\$47,026–\$291,850	over \$291,850
Estates and trusts	up to \$3,150	\$3,150–\$15,450	over \$15,450

NET INVESTMENT INCOME TAX

\$3.8% additional tax based on modified adjusted gross income over the following thresholds:

Filing Status	Threshold amount
Married filing jointly	\$250,000
Married filing separately	\$125,000
Single	\$200,000
Head of household (with qualifying person)	\$200,000
Qualifying widow(er) with dependent child	\$250,000

ALTERNATIVE MINIMUM TAX (AMT)

	Exemption	Phaseout
Single & head of household	\$85,700	\$609,350
Married filing jointly	\$133,300	\$1,218,700
Married filing separately	\$66,650	\$609,350

AMT RATES

26% up to \$232,600 of AMT base
28% over \$232,600 of AMT base

ESTATE AND GIFT TAX

Annual gift tax exclusion	\$18,000
Estate and gift tax basic exclusion	\$13,610,000
Applicable credit amount	\$5,389,800
Generation skipping exemption	\$13,610,000
Maximum estate tax rate ³	40%

STANDARD MILEAGE RATES

Business use	67¢ per mile
Charitable use (not indexed)	14¢ per mile
Medical use	21¢ per mile

HEALTH SAVINGS ACCOUNT

Minimum Deductible Amount	Single	\$1,600
	Family	\$3,200
Maximum Out-of-Pocket Amount	Single	\$8,050
	Family	\$16,100
HSA Statutory Contribution Maximum	Single	\$4,150
	Family	\$8,300
	Catch-up contributions (age 55 or older)	\$1,000

EDUCATION

EE bonds for education—exclusion phaseout	Single	\$96,800–\$111,800
	Married filing jointly	\$145,000–\$175,200
Coverdell Education Savings Account (\$2,000 limit) phaseout	Single	\$95,000–\$110,000
	Married filing jointly	\$190,000–\$220,000
Lifetime Learning Credit—20% of qualified expenses up to \$10,000	Single	\$80,000–\$90,000
	Married filing jointly	\$160,000–\$180,000
	100% up to \$2,000 of qualified expenses	
American Opportunity tax credit—maximum of \$2,500	25% on next \$2,000—phaseout:	
	Single	\$80,000–\$90,000
	Married filing jointly	\$160,000–\$180,000
Education loan deduction (\$2,500) phaseout	Unmarried	\$80,000–\$95,000
	Married filing jointly	\$165,000–\$195,000

MISCELLANEOUS

PBGC maximum monthly benefit (at age 65)	\$7,107.95
LTC per diem limit	\$410
LTC premium as medical expense limitation	
Age 40 or under	\$470
Age 41–50	\$880
Age 51–60	\$1,760
Age 61–70	\$4,710
Age 71 or older	\$5,880
Qualified Transportation Fringe (monthly) Commuter highway vehicle/transit pass	\$315
Qualified parking	\$315
Qualified Longevity Annuity Contract	Max \$200,000
Health Care Flexible Spending Account	Max \$3,200

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Glossary

Catch up contribution: A catch-up contribution is a type of retirement savings contribution that allows people aged 50 or older to make additional contributions to 401(k) accounts and individual retirement accounts (IRAs). Catch-up contributions are larger than the standard contribution limit.

Contribution limit: The maximum amount a person can contribute to his or her retirement account is set each year by the IRS after taking inflation into account.

Defined benefit amount: Internal Revenue Code (IRC) Section 415(b) limits an individual's pension benefit amount. The IRC 415(b) limit affecting public employees is the Dollar Limit. The Dollar Limit for 2020 is \$230,000. Elective deferrals

FRA: Retirees can start receiving Social Security retirement benefits as early as age 62. However, retirees are entitled to full benefits when they reach their **full retirement age**.

Social Security wage base: Social Security's Old-Age, Survivors, and Disability Insurance (OASDI) program limits the amount of earnings subject to taxation for a given year. The same annual limit also applies when those earnings are used in a benefit computation. This limit changes each year with changes in the national average wage index. We call this annual limit the contribution and benefit base. This amount is also commonly referred to as the taxable maximum.

Sources: irs.gov | medicare.gov | ssa.gov | pbgc.gov | aaltci.org | forbes.com

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