

Planning Desk – Retirement Contribution Limits for 2024 and 2025

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Brain Teaser of the Month: *What country has the most pyramids in the world?*

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Each year, the IRS updates the contribution limits and income thresholds for retirement accounts. Note that contributions for 2024 can still be completed up to April 15, 2025, the date tax returns are due.

	2024	2025
IRA / Roth IRA	\$7,000	\$7,000
Catch-up Contribution	\$1,000	\$1,000
401(k)/403(b)Plans	\$23,000	\$23,500
Catch-up Contribution	\$7,500	\$7,500
NEW Catch-up Contribution Age 60-63 for 401(k), 403(b), 457(b) plans	-	\$11,250

Important notes:

- **Catch-up contributions for individuals age 50-60 and 64+** - If you are turning 50 at any time during the current calendar year, you can make this contribution (you do not need to wait until your birthday).
- **Catch-up contributions for individuals ages 60-63** - The IRS is now allowing people ages 60-63 to make an additional catch-up contribution of \$11,250 to their 401(k) and other tax-advantaged retirement savings accounts. If you are turning 60 at any time during the current calendar year, you can make this contribution (you do not need to wait until your birthday).
- Contributions are per person and not per account. For example, you may have a Traditional IRA and a Roth IRA but the contribution between the two cannot exceed \$7,000 (\$8,000 for people age 50 and over).
- You are limited to your earned income, so a child who earns \$3,000 from a part-time job can contribute a maximum of \$3,000.
- Income from other sources (investments, rental properties) does not count.

Traditional IRA – Deductibility Limits

Everyone is allowed to contribute to a Traditional IRA, but the ability to take the tax deduction is subject to income limitations. If you and your spouse are not eligible to participate in an employer-sponsored retirement plan (such as a 401(k)), then you can deduct your entire IRA contribution.

If you or your spouse participates in an employer-sponsored retirement plan, then your ability to take a deduction is income-restricted according to the table below:

Filing Status for 2024	Modified AGI (MAGI)	Contribution
Single/HOH & covered by a plan at work	\$77,000 or Less	Fully Deductible
	\$77,000 – \$87,000	Partially Deductible
	\$87,000 or More	Not Deductible
Married Filing Jointly & covered by a plan at work	\$123,000 or Less	Fully Deductible
	\$123,000 – \$143,000	Partially Deductible
	\$143,000 or Above	Not Deductible
Married Filing Jointly & spouse is covered by a plan at work	\$230,000 or Less	Fully Deductible
	\$230,000 – \$240,000	Partially Deductible
	\$240,000 or More	Not Deductible

**Please see attached tax table for complete contribution limits*

Roth IRA – Contribution Limits

Roth IRA contributions are solely determined by the IRS income limits, and have nothing to do with participation in an employer-sponsored retirement plan. Below are the 2024 Roth IRA income limits:

Filing Status for 2024	Modified AGI (MAGI)	Contribution
Single/HOH	\$146,000 or Less	Allowed
	\$146,000 - \$161,000	Partial Contribution
	\$161,000 or more	You cannot contribute
Married Filing Jointly	\$230,000 or Less	Allowed
	\$230,000 - \$240,000	Partial Contribution
	\$240,000 or more	You cannot contribute

**Please see attached tax table for complete contribution limits*

Attached is the full listing of all contribution limits and 2024 tax tables. Please be sure to check with your tax preparer to discuss your specific situation.

Additionally, please reach out if you'd like to complete your 2024 IRA contribution before the April 15, 2025 deadline.



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Brain Teaser of the Month Answer – Sudan

Sources:

- *IRS.gov*

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