

IRA Contributions

	2023	2024
Traditional & Roth	\$6,500	\$7,000
Catch-up Contribution (Age 50 and older)	\$1,000	\$1,000

Traditional IRA Deduction Phase Outs

Active participants (active participant in a qualified plan)

Single or Head of HH	2023	2024
	\$73,000-\$83,000	\$77,000 - \$87,000
MFJ	\$116,000 - \$136,000	\$123,000 - \$143,000
MFS	\$0-\$10,000	\$0-\$10,000

Non-active participants - full contribution is deductible (if married, neither spouse active)

Spousal contributions - If one spouse is an active participant, deductibility for non-active spouse phases out: \$230,000- \$240,000

Retirement Plan Contribution Limits

	2023	2024
401k, 403b, 457 Salary Deferral	\$22,500	\$23,000
Defined Contribution Plan Limit	\$66,000	\$69,000
SEP IRA	\$66,000	\$69,000
Simple IRA	\$15,500	\$16,000

Retirement Plan Tax Credit Limits

Tax Credit	Married Filing Jointly	Head of Household	All Other Filers
50% of your contribution	AGI ≤ \$46,000	AGI ≤ \$30,750	AGI ≤ \$23,000
20% of your contribution	\$46,001 - \$50,000	\$30,751 - \$33,000	\$23,001 - \$25,000
10% of your contribution	\$46,001 - \$50,000	\$33,001 - \$51,000	\$25,001 - \$38,250
0% of your contribution	more than \$76,500	more than \$51,000	more than \$36,750

Advantages of an MEP

- Reduced administrative work for employer
- Access to features typically only offered in larger company plans
- Lower fees via shared resources & economy of scale
- Employee keeps more of their retirement savings
- Retirement savings can grow quicker
- Reduced fiduciary liability for employer
- Allows company to focus on their core business

Employer Retirement Plans

	2023	2024
Elective Deferrals 401k, 403b, 457	\$22,500	\$23,000
Catch-Up 401(k), 403(b), 457 (Age 50 & older)	\$7,500	\$7,500
Highly Compensated Employee	\$150,000	\$155,000
Maximum Includable Compensation	\$330,000	\$345,000
Annual Benefit Limit	\$265,000	\$275,000
Defined Contribution Plan Limit	\$66,000	\$69,000
SEP Minimum Earnings Limit	\$750	\$750
SEP IRA Annual Addition Limit	\$66,000	\$69,000
Simple IRA Limit	\$15,500	\$16,000
Simple IRA Catch-up	\$3,500	\$3,500

Exceptions to the 10% penalty for distributions prior to age 59 1/2

	NQ Annuity	Qual Plans	IRAs
Death	X	X	X
Disability	X	X	X
SEPP 72(t)	X	X	X
Medical Expenses (>7.5% AGI)		X	X
Birth or Adoption of Child		X	X
Age 55 & Separated From Service/QRDO		X	
College Expenses			X
Health Ins. Prem. For Unemployed			X
Qual. 1st Time Homebuyer/Reservist			X

KEY

IRAs & Roth IRA Contributions

Employer Sponsored Retirement Plans

Secure Act

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Named Fiduciaries

Under ERISA, a plan must name at least one fiduciary or provide a procedure for identifying a named fiduciary. Named fiduciaries usually include the plan sponsor, the plan trustee, and the plan administrator.

Plan Sponsor	<ul style="list-style-type: none"> • Almost always a fiduciary • Oversees all the other fiduciaries • Duty to monitor the other fiduciaries & replace them if they are failing to do their responsibilities under ERISA
Plan Trustee	<ul style="list-style-type: none"> • Prudently selects & monitors plan investments • Ensures that expenses paid by the trust are reasonable • Holds fiduciary liability & is overseen by the Plan Sponsor
Plan Administrator	<ul style="list-style-type: none"> • Responsible for overseeing plan operations • Can be a single person or consist of a retirement plan committee • Has fiduciary duties, liabilities & is overseen by the Plan Sponsor

Fiduciary Service Providers

Named fiduciaries hire service providers to serve as plan fiduciaries for specific functions. This helps mitigate some of the liability. Fiduciary Service Providers fall under three categories:

3(21) Co-Fiduciary	<ul style="list-style-type: none"> • Shared fiduciary liability between the client & advisor for the plan investments • Recommends the selection & replacement of plan investment options, plan sponsor must approve changes • For plan sponsors that are comfortable assuming investment fiduciary liability
3(38) Investment Fiduciary	<ul style="list-style-type: none"> • Majority of investment responsibilities are lifted from the plan sponsor & assumed by the 3(38) advisor • Advisor has discretion over the investment selection, monitoring & replacement of plan investment options • For plan sponsors that don't have the time or want the responsibility of the plan's investments
3(16) Plan Administrator	<ul style="list-style-type: none"> • Signs the annual form 5500 • Manages the day to day operations of the plan • Majority of fiduciary tasks & plan communications are their responsibility • 58 Plan Administrator Responsibilities

Multiple Employer Plan 401(k) (MEP)

- Single 401(k) plan, adopted by a number of unrelated employers
- Considered a single plan under both IRS Tax Code & ERISA
- Single 5500 filed for plan

58 Plan Fiduciary Responsibilities

1. Investment Manager Appointment	30. Quarterly Investment Review
2. 402(g) Limit Reporting	31. Death Benefit Approval
3. 404(a)(5) Notice Distribution	32. Distribution Reporting
4. 404(c) Notice Distribution	33. DOL & IRS Issue Resolution
5. 408(b)(2) Notice Distribution	34. Eligibility Calculations
6. Discrimination/Coverage Testing	35. Eligibility Notifications
7. Fee Negotiations with Vendors	36. Employer Contribution Monitoring
8. Audit Completion Support	37. ERISA Bond Review
9. Audit Firm Hiring & Monitoring	38. Error Correction Monitoring
10. Auto Enroll Notice Distribution	39. Fiduciary Ins. Coverage Review
11. Beneficiary Designation Maint.	40. Force Out Processing
12. Beneficiary Determinations	41. Form 5330 Preparation
13. Blackout Notice Distribution	42. Prep, Sign & File Form 5500
14. Census Review	43. Prep, Sign, & File Form 8955
15. Corrective Distributions	44. Fund Change Notice Distribution
16. Harship Withdrawal Approval	45. Monitor & REport Rate Changes
17. Loan Approval & Reporting	46. Required Minimum Distributions
18. Loan Default Monitoring	47. Safe Harbor Notice Distribution
19. Loan Policy Administration	48. SAR Production & Distribution
20. Lost Earnings Calculations	49. SMM Notice Distribution
21. Assist Participant Enrollment	50. SPD Production & Distribution
22. Payroll Aggregation	51. Spousal Consent Approvals
23. Payroll File Aggregation	52. Termination Date Verification
24. Plan Design Review	53. Termination Date Maintenance
25. Plan Document Interpretation	54. Approve Termination Withdrawal
26. Plan Document Prep & Archiving	55. Trustee Duties
27. Plan Irregularity Notification	56. Vesting Verification & Tracking
28. QDIA Notice Distribution	57. *Upload Payroll Files
29. QDRO Review & Reporting	58. *Collect/Review Yr. End Data

*Tasks that may be completed by the current payroll company.

Secure Act

Startup Plan Tax Credit	\$5,000 / year for 3 years
New Auto Enrollment Tax Credit	\$500 / year for 3 years
IRS Filing Penalties	\$25 per day penalty for filing Form 5500 late or materially incomplete. Max penalty of \$150k per plan year.
Part-time Retirement Plan Access	Beg. 2021, employees with at least 500hrs./week over previous 2 years will be eligible to participate in 401(k) plans.
Auto-Enrollment Cap	6% of employee annual earnings in first year. Up to 10% in 5th year of participation and thereafter.