



## Retirement Plan Contribution Limits

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

## Retirement Plan Matching

Many companies offer retirement plans which allow you to contribute to your account, before taxes are taken out of your check. Some will match your contributions up to a limit. Be sure to take full advantage of the matching. It's free money!

## IRA & Roth Contributions

	2023	2024
<b>Traditional &amp; Roth</b>	\$6,500	\$7,000

## Traditional IRA Deduction Phase Outs

**Active participants** (active participant in a qualified plan)

	2023	2024
<b>Single</b>	\$73,000-\$83,000	\$77,000-\$87,000
<b>Married Filing Jointly</b>	\$116,000-\$136,000	\$123,000-\$143,000

**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

## Roth IRA Contribution Phase Outs

**Roth IRA contribution phase outs**

	2023	2024
<b>Single</b>	\$138,000-\$153,000	\$146,000-\$161,000
<b>Married Filing Jointly</b>	\$218,000- \$228,000	\$230,000- \$240,000

## Retirement Savings Contribution Credit

You may be eligible for a tax credit for making contributions to your IRA or employer-sponsored retirement plan.

*You're eligible for the credit if you're:*

- Age 18 or older;
- Not a full-time student; and
- Not claimed as a dependent on another person's return.

Tax Credit	Married Filing Jointly	All Other Filers*
50% of your contribution	AGI ≤ \$46,000	AGI ≤ \$23,000
20% of your contribution	\$46,001 - \$50,000	\$23,001 - \$25,000
10% of your contribution	\$50,001 - \$76,500	\$25,001 - \$38,250
0% of your contribution	more than \$76,500	more than \$38,250

## What is Insurance ?

An arrangement by which a company provides a guarantee of compensation for a specified loss, damage, illness, or death in return for payment of a premium. Insurance is most effective when insuring against an event that results in a high financial loss but has a very low probability of happening.

## What is Disability Insurance ?

In case of illness or injury, on or off the job, it replaces a portion of your income for a specified period of time. Employer paid group disability will usually replace no more than 60% of your pre-disability income. In short, this protects your income.

## What is Life Insurance ?

Upon death, life insurance pays the beneficiary the face amount of the policy in a lump sum, income tax free. It's most commonly used to protect a family or a loved one from financial hardship caused by a premature death.

## What is Health Insurance ?

Health insurance pays for medical and surgical expenses incurred by the insured (you). Health insurance can reimburse the insured for expenses incurred from illness or injury, or pay the care provider directly.

## Terms to Know

**Premium** - the amount you or your employer pays each month in exchange for insurance coverage.

**Deductible** - the amount of money you must pay each year to cover eligible medical expenses before your insurance policy starts paying.

**Copayment** - one of the ways you share in your medical expenses. You may pay a flat fee for certain medical expenses before your insurance policy starts paying.

**Coinsurance** - the share of medical expenses you pay after your deductible. For example, once your deductible has been met, coinsurance may be 80/20 where the insurance company pays 80% of the bill and you pay the remaining 20%.

**Group Health Insurance** - a plan offered by an employer that insures individuals in that group and their dependents under one policy.

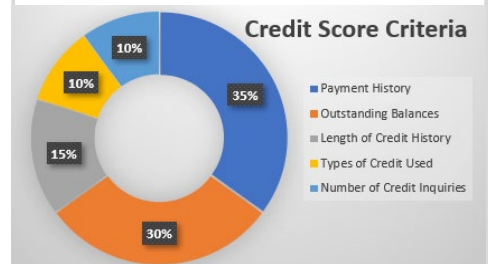
**In-Network Provider** - a health care provider which is part of a health plan's network of preferred providers. Cost for services have been negotiated so you will generally pay less than using an out-of-network provider.

## Health Savings Accounts

	Minimum Deductible	Maximum Out-of-Pocket	Deduction/ Contribution Limit
Single	\$1,600	\$8,050	\$4,150
Family	\$3,200	\$16,100	\$8,300

## What is a Credit Score ?

Credit is an indicator to a bank, mortgage or other lending company of your ability to repay borrowed money or pay for access to goods or services. Good credit is rewarded better payment terms like a lower interest rate. Poor credit usually results in less desirable repayment terms and higher interest rates or can result in a denied loan. Your credit score is determined by the following criteria:



## Building Your Credit

- Apply for a secured or co-signed credit card.
- Ask to be an authorized card user.
- Make rent, phone and utility payments on-time.
- Use a rent-reporting service such as Rental Kharma and RentTrack to get credit for your on-time payments.
- Keep credit utilization below 30% on all cards.
- Avoid closing cards unless there's a good reason to do so.
- Avoid applying for multiple accounts at the same time.

## Credit Cards

- Pay the statement balance at the end of the month.
- Set up security alerts for when your card is used in case of fraud.
- Using more than 50% of your available credit hurts your credit score.
- Paying the minimum monthly statements means interest will be accruing on the remaining balance.

## KEY

IRAs & Retirement Plans

Insurance

Credit

Tax Rates / Deductions / Exemptions / Forms

Home Buying

Personal Income Tax Rates				
Taxable Income		Tax Is	Plus	Of Amount Over
Over	Not Over			
<b>Single</b>				
\$0	\$11,000	\$0	10.0%	\$0
\$11,001	\$44,275	\$1,100	12.0%	\$11,000
\$44,276	\$95,375	\$5,093	22.0%	\$44,275
\$95,376	\$182,100	\$16,335	24.0%	\$95,375
\$182,101	\$231,250	\$37,148	32.0%	\$182,100
\$231,251	\$578,125	\$52,876	35.0%	\$231,250
\$578,126	and over	\$174,282	37.0%	\$578,125

Married Filing Jointly (MFJ)				
\$0	\$22,000	\$0	10.0%	\$0
\$22,001	\$89,450	\$2,200	12.0%	\$22,000
\$89,451	\$190,750	\$10,294	22.0%	\$89,450
\$190,751	\$364,200	\$32,580	24.0%	\$190,750
\$364,201	\$462,500	\$74,207	32.0%	\$364,200
\$462,501	\$693,750	\$105,663	35.0%	\$462,500
\$693,751	and over	\$186,600	37.0%	\$693,750

Social Security & Medicare/FICA			
	Social Security Tax	Medicare Tax	FICA Tax (total)
Employee portion	6.2%	1.45%	7.65%
Employer portion	6.2%	1.45%	7.65%
<b>Totals</b>	<b>12.4%</b>	<b>2.9%</b>	<b>15.3%</b>
Self-employed	12.4%	2.9%	15.3%
<b>Totals</b>	<b>12.4%</b>	<b>2.9%</b>	<b>15.3%</b>

### Commonly Used Tax Terms

**Adjusted Gross Income (AGI) =**  
Income Received - Adjustments (deductions)

**Deduction** - Expenses that can be subtracted from Gross Income. Deductions can be standard, itemized, or pre-tax.

**Capital Gains** - when the sale price of an asset is higher than the initial purchase.

**Tax Credit** - An amount of money that can be subtracted from taxes owed to government. Tax credits reduce the actual amount of tax owed.

**Exemptions** - Amount that the IRS allows to subtract from income to reflect all the people who count on the household income. Subtracted from AGI. Additional to any deductions.

**Taxable Income** - Overall, or gross, income reduced by all allowable adjustments, deductions & exemptions. Final amount of income used to figure how much tax is owed.

This information is an overview of the relevant and projected federal tax laws provided to promote ideas that may benefit a taxpayer. It is not intended for, nor can it be used by any taxpayer for the purpose of avoiding federal tax penalties. Taxpayers should seek the advice of their own advisors regarding any tax and legal issues specific to their situation.

Income Subject to Social Security Tax	
Year	Max Earned Income Subject to Social Security Tax
2023	\$160,200
2024	\$168,600

Taxation of Capital Gains & Dividends			
	Income		
<b>Single:</b>	<\$47,025	\$47,025 - \$518,900	Over
<b>MFJ:</b>	<\$94,050	\$94,050 - \$583,750	
<b>ST &lt;12 mo</b>	Ordinary	Ordinary	Ordinary
<b>LT &gt;12 mo</b>	0%	15%	20%
<b>Qualified Dividends</b>	0%	15%	20%

Misc. Exemptions & Deductions	
Personal Exemption	Eliminated
Mortgage Interest Deduction	Debt Limit: \$750,000
Medical Expenses	Deductible > 7.5% AGI
Moving Expenses	Only For Military
Misc. Deductions	No longer deductible
Income Phaseout for Itemizing	No phase-out

Tax Filing Deadlines	
Personal	April 15th
IRA Contributions	April 15th

Tax Filing Extensions	
Personal	October 15th

### Common Tax Forms

W-9	Used by employers to verify Social Security number when hired.
W-4	Directs your employer to withhold the correct federal income tax from your pay. Used when setting up payroll.
W-2	Used by employers to report wages and taxes for employees.
1099	Used by an entity to report money paid as an independent contractor or sole proprietor.
4070	Used by employees to report tips to employers.
1040	Used to file an annual income tax return.
5498	Used by custodians to report annual contributions made to IRA's (Roth, Traditional & Simple). Also reports rollovers.
1098	Issued by a mortgage company to report home mortgage interest paid during the year.
1095	Used by state and federal health insurance marketplaces to report a coverage to determine eligibility for the premium tax credit.

Standard Deduction		
Filing Status	2023	2024
Single	\$13,850	\$14,600
Married Filing Joint (MFJ)	\$27,700	\$29,200

Buying A Home - Terms to Know	
<b>PITI</b> Principal   Interest   Taxes   Insurance	<p><b>P</b>—Amount of your payment applied toward loan principal.</p> <p><b>I</b>— Amount of your payment applied to interest to the lender.</p> <p><b>T</b>—Amount of your payment going into escrow to pay real estate taxes.</p> <p><b>I</b>—Amount of your payment going into escrow for homeowners insurance.</p>
<b>Escrow Account</b>	An account held by a mortgage company used to collect funds to pay real estate taxes, homeowner's insurance premiums and sometimes private mortgage insurance premiums.
<b>Down Payment</b>	The average put down is 20% to avoid PMI, but certain programs allow as little as 3%
<b>HOA Fee</b>	An amount of money that must be paid monthly by owners of certain types of residential properties to help maintaining and improving properties in the residence
<b>PMI</b> Private Mortgage Insurance	A type of insurance required by lenders when homebuyers put down less than 20%. PMI offsets the lenders risk in case the borrower defaults
<b>Closing Costs</b>	Average 2% to 5% of the purchase price.

### Buying A Home - Tips

<b>Credit</b>	<ul style="list-style-type: none"> <li>• Credit is a key factor for loan approval.</li> <li>• Helps determine interest rate and loan terms.</li> <li>• Avoid opening or applying for new credit during buying process.</li> </ul>
<b>Neighborhoods</b>	<ul style="list-style-type: none"> <li>• Consider neighborhoods as well as school districts.</li> <li>• Determine size based on both short term &amp; long term needs (growing family, etc.)</li> <li>• Prequalification for a mortgage</li> <li>• Estimate of how much a lender is willing to lend based on income and debts.</li> </ul>
<b>Pre-approval Letter</b>	<ul style="list-style-type: none"> <li>• Get a preapproval before shopping.</li> <li>• Taken more seriously by seller and can give you an advantage over another buyer.</li> <li>• Before you start looking for your dream</li> </ul>
<b>Affordability</b>	<ul style="list-style-type: none"> <li>• Before you start looking for your dream home, know your price range.</li> <li>• Determine your household income and take your outstanding debts into account.</li> </ul>

### Common Types of Mortgages

<b>Conventional/ Fixed Rate</b>	<ul style="list-style-type: none"> <li>• Consistent. Monthly payments remain the same over the life of the loan.</li> <li>• Offered in 10, 15, 20, 30 &amp; 40 year terms.</li> <li>• Interest rate changes over time.</li> </ul>
<b>Adjustable Rate</b>	<ul style="list-style-type: none"> <li>• Rate changes reflect changes in economy &amp; cost of borrowing money.</li> <li>• Risk of increasing mortgage payments.</li> </ul>

\*There are lots of different mortgage types available. Talk to a financial advisor, or mortgage lender to see which type of mortgage best fits your needs.

### Family Down Payment Assistance

If parents or family give money towards a down payment. Provide a gift letter to the mortgage company indicating funds are NOT a loan. Parents and family gifting money for down payments should refer to the IRS annual tax exclusion to avoid potential tax implications.

