

Retirement Contributions in 2024

January 2024 brought new contribution limits and more opportunities for your clients to save for retirement. Here's what you need to know.

Did you know that the retirement plan contribution and IRA contribution limits changed in 2024? There is still time to help clients make their 2023 contributions.

What are the limits for 2024?

- IRA/Roth IRA contribution limit: \$7,000
- IRA/Roth IRA catch-up for those ages 50 and older: \$1,000
- SIMPLE IRA deferral limit: \$16,000
- SIMPLE IRA catch-up for those ages 50 and older: \$3,500
- SEP-IRA contribution limit: \$69,000

What are the income limits to deduct IRA contributions?¹

	2023	2024
Single taxpayers covered by a workplace retirement plan.	\$73,000 to \$83,000	\$77,000 to \$87,000
Married Filing Jointly. This applies when the spouse making the IRA contribution is covered by a workplace retirement plan.	\$116,000 to \$136,000	\$123,000 to \$143,000
A taxpayer not covered by a workplace retirement plan married to someone who is covered.	\$218,000 to \$228,000	\$230,000 to \$240,000
Married Filing Separately. This applies to taxpayers covered by a workplace retirement plan.	\$0 to \$10,000	\$0 to \$10,000
SEP-IRA contribution limit.	\$66,000	\$69,000

What are the due dates for 2023 contributions?

- IRA: Tax-filing deadline, not including extensions, is April 15, 2024.
- SEP-IRA: Tax-filing deadline including extensions timely filed is October 15, 2024.

¹Deductions for IRA contributions are phased out between the indicated income levels.

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Not FDIC/NCUA insured • Not insured by any federal government agency**

How can clients make an IRA contribution for last year?

Clients can send their IRA contributions to the IRA custodian prior to the tax-filing deadline (April 15, 2024) and note that it is for a 2023 contribution. Note that if it is a SEP-IRA contribution, the custodian doesn't report the tax year to the IRS—only the contribution year. The taxpayer is responsible for reporting the contribution year.

Additional Resources and Links

[Retirement Contributions in 2023](#)

[Power of Tax Deferral Calculator](#)

[2024 Federal Tax Amounts and Limits](#)

Contact Clients

Be sure to contact your clients and ensure they have made the most of their IRA contributions as well as spousal IRA contributions, if eligible. Additionally, you can discuss whether or not they might be better off making a Roth versus a traditional IRA contribution. Here are two tips for maximizing the benefit:

1. Review whether a [Roth IRA](#) may be a better option long term. Tax-free retirement income can help retirees manage taxes.
2. Make a retirement gift to a young adult or student by making a Roth or traditional IRA contribution on his/her behalf, assuming the person has the requisite earned income. Match the earned income of the recipient of the gift to the Roth IRA contribution limit.

For more information about retirement planning,
please contact our Retirement Strategies Group at
RSG@PacificLife.com or (800) 722-2333, ext. 3939.

[PacificLife.com](https://www.PacificLife.com)

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