



THE HOLLANDER GROUP

2024 Planning Guide

BAIRD

Private Wealth
Management

Medicare Is Often Referred to by Its "Parts"

PART A	Covers part of the cost of hospitalization and is free of a monthly premium for those eligible.
PART B	Covers part of the cost of doctor visits and other health-care services. Medicare charges a monthly premium for Part B unless special assistance for the poor is provided.
PART D	Covers part of the cost of prescription drugs and is offered through private insurers.

In addition to Medicare, you may also want additional or alternative insurance offered through private insurers.

Supplemental Insurance	Often referred to as Medigap and designed to cover the costs Medicare does not, such as some deductibles, copayments, and coinsurance.
Medicare Advantage Plans	Sometimes referred to as Medicare Part C. They are responsible for delivering all coverage of Parts A and B. Most also offer Part D prescription drug coverage.

Medicare Part A Monthly Premiums Based on Eligible Social Security Quarters

\$0 if > 40 quarters / \$278 if 30-39 quarters / \$505 if < 30 quarters

Medicare Part B & D Premium Adjustments Paid in 2024 Based on 2022 MAGI

If modified adjusted gross income from two years ago is above a certain amount, you'll pay the standard premium amount and an Income Related Monthly Adjustment Amount (IRMAA).

2022 MAGI Single	2022 MAGI Joint	Part B Adjustment*	Part D Adjustment**
\$103,000 & Under	\$206,000 & Under	\$0	\$0
\$103,001 – \$129,000	\$206,001 – \$258,000	\$69.90	\$12.90
\$129,001 – \$161,000	\$258,001 – \$322,000	\$174.70	\$33.30
\$161,001 – \$193,000	\$322,001 – \$386,000	\$279.50	\$53.80
\$193,001 – \$499,999	\$386,001 – \$749,999	\$384.30	\$74.20
\$500,000 and above	\$750,000 and above	\$419.30	\$81.00

*In addition to base premium of \$174.70/mo.

**In addition to base premium. Part D premiums vary by plan.

Social Security Age

If you were born in:	Your full retirement age (FRA) is:
1943 – 1954	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

Maximum Monthly Social Security Retirement Benefit

\$3,822	if you reach FRA in 2024
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Maximum Social Security Income Base

\$168,600

Uniform Life Table (Partial)

Age of IRA owner or plan participant	Life expectancy (in years)	Age of IRA owner or plan participant	Life expectancy (in years)
73	26.5	89	12.9
74	25.5	90	12.2
75	24.6	91	11.5
76	23.7	92	10.8
77	22.9	93	10.1
78	22	94	9.5
79	21.1	95	8.9
80	20.2	96	8.4
81	19.4	97	7.8
82	18.5	98	7.3
83	17.7	99	6.8
84	16.8	100	6.4
85	16	101	6
86	15.2	102	5.6
87	14.4	103	5.2
88	13.7	104	4.9

Tax on Social Security Benefits

The income thresholds that determine whether Social Security benefits are taxable are not indexed for inflation and therefore remain the same every year. The formula is based on "combined income," also called "provisional income," which includes modified adjusted gross income (MAGI), plus one-half of the Social Security benefit, plus tax-exempt interest.

Married Filing Jointly	Head of Household or Married Filing Separately*	Amount of Social Security Subject to Tax
Under \$32,000	Under \$25,000	0%
\$32,000 – \$44,000	\$25,000 – \$34,000	Up to 50%
Over \$44,000	Over \$34,000	Up to 85%

*And not living with spouse. MFS and living with spouse is 85% for income > \$0.

How Working in 2024 May Affect Your Social Security Benefits

Age	Amount of Benefit Reduction
Under Full Retirement Age (FRA)	\$1 reduction for each \$2 in work income in earnings over \$22,320.
Year of FRA	\$1 reduction for each \$3 in work income in earnings over \$59,520 until the month you reach FRA.
FRA and Over	No reduction regardless of earnings.

IRA Distribution Start Ages

Year 2024 RMD Begins	Age 73
Year 2033 RMD Begins	Age 75
Qualified Charitable Donations (QCD) Begins	Age 70.5

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	2023 Top Rate 40%	2024 Top Rate 40%
Federal Estate, Gift, and GS Tax Exclusion* Lifetime Gift Exclusion* *Indexed annually for inflation/Sunsets to prior law 12/31/2025	\$12,920,000 \$12,920,000	\$13,610,000 \$13,610,000
Gift Tax Exclusion	\$17,000	\$18,000
This is the amount an individual may gift to another individual without reporting it on a gift tax return. Married couples may gift \$36,000. A spouse may gift up to \$185,000 (up from \$175,000) to a non-citizen spouse.		

Retirement Plan Contribution Limits	2023	2024
Annual compensation used to determine contribution for most plans	\$330,000	\$345,000
Defined contribution plans, basic limit (Section 415 limit)	\$66,000	\$69,000
Defined benefit plans, basic limit (Section 415 limit)	\$265,000	\$275,000
401(k) plans, 403(b) plans, 457(b) plans, elective deferrals	\$22,500	\$23,000
Catch-up provision for individuals 50 and over, 401(k), 403(b), 457(b)	\$7,500	\$7,500
SIMPLE plans, elective deferral limit	\$15,500	\$16,000
SIMPLE plans, catch-up contribution for individuals 50 and over	\$3,500	\$3,500
SEP	\$66,000*	\$69,000*
*Or the lesser of 25% employee's compensation		

Individual Retirement Accounts	2023	2024
Maximum contribution for traditional and Roth IRAs	\$6,500	\$7,000
Catch-up contribution for individuals 50 and over	\$1,000	\$1,000

Standard Deduction	2023	2024
Married filing jointly and qualifying widow(er)s	\$27,700	\$29,200
Single or married filing separately	\$13,850	\$14,600
Head of household	\$20,800	\$21,900
Additional deduction for seniors or blind (single or HOH)	\$1,850	\$1,950
Additional deduction for seniors or blind (all other filing statuses)	\$1,500	\$1,550

Medicare Surtax	2023	2024
3.8% Tax on Lesser of Net Investment Income or Excess of MAGI Over		
Single, head of household	\$200,000	\$200,000
Married filing jointly, qualifying widow(er)	\$250,000	\$250,000
Married filing separately	\$125,000	\$125,000

Long-Term Capital Gains Rates Based on Taxable Income			
Filing Status	0% Rate	15% Rate	20% Rate
Single	\$0 - \$47,025	\$47,026 - \$518,900	over \$518,900
Head of Household	\$0 - \$63,000	\$63,001 - \$551,300	over \$551,300
Married Filing Jointly	\$0 - \$94,050	\$94,051 - \$583,750	over \$583,750
Estates and Trusts	\$0 - \$3,150	\$3,151 - \$15,450	over \$15,450

Roth IRA Contribution Limits MAGI Phase Out Thresholds		
Filing Status	2023	2024
Single Individuals/Heads of Households	\$138,000 – \$153,000	\$146,000 – \$161,000
Married Filing Jointly	\$218,000 – \$228,000	\$230,000 – \$240,000
Married Filing Separately	\$0 – \$10,000	\$0 – \$10,000

Traditional IRA Phaseouts If Covered by Employer Plan		
	2023	2024
Single Individuals/Heads of Households	\$73,000 – \$83,000	\$77,000 – \$87,000
Married Filing Jointly	\$116,000 – \$136,000	\$123,000 – \$143,000
Married Filing Separately	\$0 – \$10,000	\$0 – \$10,000
Spouse of Participant	\$218,000 – \$228,000	\$230,000 – \$240,000

Health Savings Accounts			
Annual Limits	Maximum Deductible Contribution	Expense Limits*	Minimum Annual Deductible
Individual	\$4,150	\$8,050	\$1,600
Families	\$8,300	\$16,100	\$3,200
Catch-up for 55 and older	\$1,000		

*Deductibles and Copays

2024 Tax Rates

Married Filing Jointly / Surviving Spouses				
If Taxable Income Is Over	But Not Over	Tax Is	Plus	Of the Amount Over
\$0	\$23,200	\$0	10%	\$0
\$23,200	\$94,300	\$2,320	12%	\$23,200
\$94,300	\$201,050	\$10,852	22%	\$94,300
\$201,050	\$383,900	\$34,337	24%	\$201,050
\$383,900	\$487,450	\$78,221	32%	\$383,900
\$487,450	\$731,200	\$111,357	35%	\$487,450
Over \$731,200		\$196,669.50	37%	\$731,200

Single Taxpayers				
If Taxable Income Is Over	But Not Over	Tax Is	Plus	Of the Amount Over
\$0	\$11,600	\$0	10%	\$0
\$11,600	\$47,150	\$1,160	12%	\$11,600
\$47,150	\$100,525	\$5,426	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
Over \$609,350		\$183,647.25	37%	\$609,350

Head Of Household				
If Taxable Income Is Over	But Not Over	Tax Is	Plus	Of the Amount Over
\$0	\$16,550	\$0	10%	\$0
\$16,550	\$63,100	\$1,655	12%	\$16,550
\$63,100	\$100,500	\$7,241	22%	\$63,100
\$100,500	\$191,950	\$15,469	24%	\$100,500
\$191,950	\$243,700	\$37,417	32%	\$191,150
\$243,700	\$609,350	\$53,977	35%	\$243,700
Over \$609,350		\$181,954.50	37%	\$609,350

Married Taxpayer Filing Separate Returns				
If Taxable Income Is Over	But Not Over	Tax Is	Plus	Of the Amount Over
\$0	\$11,600	\$0	10%	\$0
\$11,600	\$47,150	\$1,160	12%	\$11,600
\$47,150	\$100,525	\$5,426	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
Over \$365,600		\$98,334.75	37%	\$365,600

Trusts & Estates				
If Taxable Income Is Over	But Not Over	Tax Is	Plus	Of the Amount Over
\$0	\$3,100	\$0	10%	\$0
\$3,100	\$11,150	\$310	24%	\$3,100
\$11,150	\$15,200	\$2,242	35%	\$11,150
Over \$15,200		\$3,659.50	37%	\$15,200

While Baird does not offer tax or legal advice, our Financial Advisors regularly work with clients' attorneys and tax professionals to help ensure that all phases of wealth management are addressed. Please consult your legal or tax professional for specific information.