



CRC® Examination Retirement Plan Limits and Thresholds & CRC® Study Guide Supplement Update

The CRC® examination may test on the retirement plan limits and thresholds in effect as of January 1, 2024 and will not test on any regulations passed after this date.

| LIMIT TYPE | 2023 | 2024 |
|---|---------------------|---------------------|
| Maximum compensation limit for contributions to qualified plans & SEPs | \$330,000 | \$345,000 |
| Key employee compensation | \$215,000 | \$220,000 |
| Highly compensated employee | \$150,000 | \$155,000 |
| Minimum compensation SEPs | \$750 | \$750 |
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| Defined benefit plan maximum annual 415 benefit limit | \$265,000 | \$275,000 |
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| Defined contribution plan annual 415 contribution limit | \$66,000 | \$69,000 |
| Elective deferral limit 401k, 403b, 457 & SARSEP | \$22,500 | \$23,000 |
| Age 50 catch-up limit | \$7,500 | \$7,500 |
| Elective deferral SIMPLE IRA & SIMPLE 401k | \$15,500 | \$16,000 |
| Age 50 catch-up limit | \$3,500 | \$3,500 |
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| Traditional & Roth IRA annual addition | \$6,500 | \$7,000 |
| Age 50 catch-up limit | \$1,000 | \$1,000 |
| Traditional IRA MAGI phase-out: Single | \$73,000-\$83,000 | \$77,000-\$87,000 |
| Traditional IRA MAGI phase-out: MFJ | \$116,000-\$136,000 | \$123,000-\$143,000 |
| Spousal non-active participant MAGI phase-out: MFJ | \$218,000-\$228,000 | \$230,000-\$240,000 |
| Roth IRA MAGI phase-out: Single | \$138,000-\$153,000 | \$146,000-\$161,000 |
| Roth IRA MAGI phase-out: MFJ | \$218,000-\$228,000 | \$230,000-\$240,000 |
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| Health Savings Account single | \$3,850 | \$4,150 |
| Health Savings Account family | \$7,750 | \$8,300 |
| Age 55 catch-up limit | \$1,000 | \$1,000 |
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| Social Security (SS) maximum taxable earnings base | \$160,200 | \$168,600 |
| SS annual exempt earnings: years before FRA (\$1 for \$2 reduction) | \$21,240 | \$22,320 |
| SS annual exempt earnings: year of FRA (\$1 for \$3 reduction) | \$56,520 | \$59,520 |
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| Gift tax annual exclusion | \$17,000 | \$18,000 |
| Estate and lifetime gift tax exclusion | \$12.92 mil | \$13.61 mil |

2024 FEDERAL INCOME TAX DATA

Note: You are not expected to memorize taxable income ranges associated with federal income tax brackets and long-term capital gains rates below. This information is provided for reference purposes only.

| TAX BRACKET | SINGLE TAXABLE INCOME | MARRIED FILING JOINTLY TAXABLE INCOME |
|-------------------------------------|--|--|
| 10% | Up to \$11,600 | Up to \$23,200 |
| 12% | \$11,601 to \$47,150 | \$23,201 to \$94,300 |
| 22% | \$47,151 to \$100,525 | \$94,301 to \$201,050 |
| 24% | \$100,526 to \$191,950 | \$201,051 to \$383,900 |
| 32% | \$191,951 to \$243,725 | \$383,901 to 487,450 |
| 35% | \$243,726 to \$609,350 | \$487,451 to \$731,200 |
| 37% | over \$609,350 | over \$731,200 |
| LONG-TERM CAPITAL GAINS RATE | SINGLE TAXABLE INCOME | MARRIED FILING JOINTLY TAXABLE INCOME |
| 0% | Up to \$47,025 | Up to \$94,050 |
| 15% | \$47,026 to \$518,900 | \$94,051 to \$583,750 |
| 20% | Over \$518,900 | Over \$583,750 |
| TAX DEDUCTION/ CREDITS | SINGLE | MARRIED FILING JOINTLY |
| Standard Deduction | \$14,600 | \$29,200 |
| Saver's Tax Credit | Up to \$1,000; \$0 if adjusted gross income exceeds \$38,250 | Up to \$2,000; \$0 if adjusted gross income exceeds \$76,500 |

Source: www.irs.gov.

CRC® Study Guide Supplement

SECURE Act 2.0 Key Changes

(Provisions effective 1/1/2024 or before)

The Securing a Strong Retirement Act of 2022 (SECURE Act 2.0) was signed into law on December 29, 2022. This supplement is a summary of key SECURE 2.0 Act provisions which are currently in effect and serves as an update to relevant content in CRC® study guides distributed prior to February 15, 2024. It is not intended to be a comprehensive review of all the provisions in the act. The CRC® examination may test on these new provisions beginning with the April 2024 examination.

Affected plan types: 401(k), 403(b), Governmental 457(b), SIMPLE IRA and SIMPLE 401k Plans

- Permits an employer to make matching contributions under a retirement plan with respect to qualified student loan payments made by the employee. The matching program for student loan payments must mirror the employer's matching program for employee elective deferrals.

Affected plan types: 401(k), 403(b) and Governmental 457(b) plans

- Plans may allow participants to elect or receive matching and non-elective contributions on a Roth basis.
- Under certain circumstances, employees are permitted to self-certify that they have had an event that constitutes a hardship (or unforeseeable emergency for governmental 457(b) plans) for purpose of taking a hardship withdrawal.

Affected plan types: 401(k) and 403(b) plans

- De minimis financial incentives (such as gift cards) valued at no more than \$250 are allowed to boost retirement plan participation. The cost for the incentive cannot be paid from plan assets and are only available to employees who are not currently participating in the plan.

Affected plan types: SEP IRA and SIMPLE IRA

- Plans are allowed to accept Roth contributions.

Affected plan types: SIMPLE IRA and SIMPLE 401(k)

- Employers are permitted to make nonelective contributions above the minimum contribution in a uniform manner provided that the contribution does not exceed the lesser of 10% of compensation or \$5,000 (indexed).

Affected plan type: Traditional and/or Roth IRAs

- The \$1,000 catch-up contribution amount for IRA owners 50 and older is now indexed for inflation.

- 529 college savings plan rollovers are allowed into Roth IRAs under the following conditions:
 - The 529 plan must be in place for at least 15 years.
 - Any contributions made within the past five years (and earnings on those contributions) are ineligible to be moved into the Roth IRA.
 - The aggregate amount transferred to the Roth IRA cannot exceed \$35,000.
 - The annual transfer amount from the 529 to the Roth IRA is limited to annual IRA contribution limits and is reduced by any “regular” Roth IRA contributions made during the tax year.

Affected plan type: Qualified Longevity Annuity Contracts (QLACs)

- QLACs have an increased dollar limit for premiums from \$125,000 to \$200,000 (indexed); the 25% of account balance limitation has been eliminated.

Provisions Impacting Most IRA Accounts and/or Retirement Plans

- The required minimum distribution (RMD) age is increasing from 72 to:
 - 73 for individuals who turn 72 after Dec. 31, 2022, and age 73 before Jan. 1, 2033
 - 75 for individuals who turn 74 after Dec. 31, 2032
 Note: A person born in 1959 meets both criteria for age 73 and age 75 RMDs and the IRS will need to address this issue in a technical correction.
- Retirement plan participants may elect to include annuity payments when aggregating required minimum distributions (RMDs) among accounts under the same plan. IRA owners may elect to include annuity payments when aggregating RMDs for IRAs.
- A surviving spouse beneficiary of a plan participant may elect to be treated as the deceased employee for RMD purposes. If such an election is made, RMDs for the spouse beneficiary would begin when the participant would have reached their RMD age and calculated using the Uniform Lifetime Table. If the spouse beneficiary dies before their RMDs are required to begin, the inherited distributions options would be determined as if the spouse beneficiary was the participant.
- Distributions from retirement plans and IRAs for qualified birth or adoption distributions (QBAD) must be repaid within 3 years of the distribution in order to be excluded from income. Previously was an unlimited amount of time to repay.
- The involuntary cash-out rollover limit is increased from \$5,000 to \$7,000 for all applicable defined contribution and defined benefit plans.
- Pre-death required minimum distributions (RMDs) from Roth accounts in defined contribution plans will no longer be required, aligning the employer plan rule with Roth IRAs.
- The excise tax for failure to take required minimum distributions (RMDs) is reduced from 50% to 25%; if corrected in a timely manner, excise tax is further reduced to 10%.
- The age 50 exception to the 10% early withdrawal penalty for qualified public safety employees (including corrections officers of state and local governments) is extended to those who have separated from service and attained age 50 or have 25 years of service, whichever comes first. This provision also applies to private-sector firefighters who are covered by a private-sector entity. Not applicable to IRAs.

- The 10% early withdrawal penalty is waived for terminally ill participants (with a certified life expectancy of 84 months or less). The account owner has up to three years to repay if desired. Optional for plan sponsors
- The 10% early withdrawal penalty is waived for domestic abuse victims when a withdrawal occurs within one year of the incident. The amount is limited to the lesser of \$10,000 (indexed after 2024) or 50% of the vested account balance. The account owner has up to three years to repay if desired. Optional for plan sponsors.
- The 10% early withdrawal penalty is waived for one emergency withdrawal per calendar year up to \$1,000. The account owner has up to three years to repay if desired. No further withdrawals are allowed for three years unless the original emergency withdrawal has been repaid, or employee contributions to the plan since the withdrawal total at least as much as the amount distributed. Optional for plan sponsors.
- The 10% early withdrawal penalty is waived for participants affected by federally declared disasters. The maximum distribution allowed is \$22,000 per disaster and resulting income taxes due may be spread over three years. The account owner has up to three years to repay if desired. Optional for plan sponsors.