

# 2024 IRA Essentials: Changes & Deadlines All Holders Should Know





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# Today's Agenda

- 1 About Entrust
- 2 2024 Dates & Deadlines You Should Know
- 3 New Limits, Ranges & Cost-of-Living Adjustments
- 4 Keeping Up With New Laws
- 5 Q&A Time

# Meet Your Host



**Bill Neville**

Business Development Manager

**12**

Years at Entrust

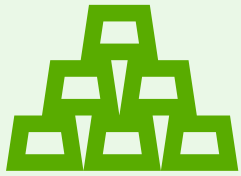


Educating investors and professionals on tax-preferred retirement accounts



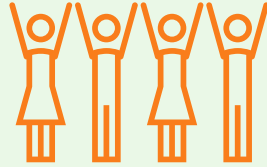
B.S. in Finance from Penn State University

# About Entrust



**\$5B**

Assets Under  
Administration



**45k**

Investors  
Empowered



**40**

Years of  
Service



**1**

Point of  
Contact

# About Entrust



- Self-Directed IRA administrators
- Knowledgeable staff with CISP designations
- Nationwide offices
- In-person events and virtual webinars
- National Continuing Education program for other credentials
- Annual IRA Academy

# 2024 Dates & Deadlines



# January 31<sup>st</sup>

- Fair Market Valuation (FMV) Statement
- Required Minimum Distribution (RMD) Statement
- IRS Form 1099-R

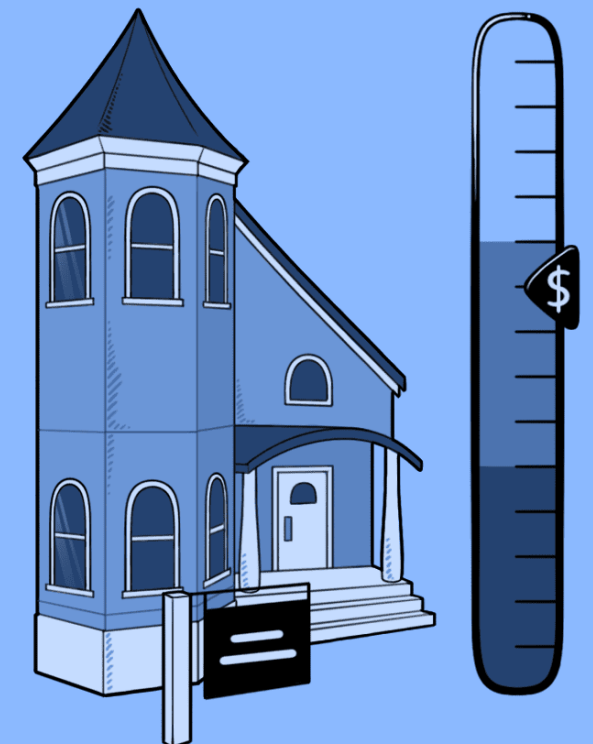
<input type="checkbox"/> VOID <input type="checkbox"/> CORRECTED		OMB No. 1545-0119		Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.	
PAYER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no.		1 Gross distribution	2024 Form 1099-R		Copy 1 For State, City, or Local Tax Department
		\$			
		2a Taxable amount	\$		
PAYER'S TIN		RECIPIENT'S TIN	2b Taxable amount not determined <input type="checkbox"/>	Total distribution <input type="checkbox"/>	
RECIPIENT'S name		3 Capital gain (included in box 2a)	4 Federal income tax withheld		
Street address (including apt. no.)		\$	\$		
City or town, state or province, country, and ZIP or foreign postal code		5 Employee contributions/ Designated Roth contributions or insurance premiums	6 Net unrealized appreciation in employer's securities		
		\$	\$		
		7 Distribution code(s)	IRA/SEP/SIMPLE <input type="checkbox"/>	8 Other	
			\$	%	
		9a Your percentage of total distribution	9b Total employee contributions		
		%	\$		
10 Amount allocable to IRR within 5 years	11 1st year of desig. Roth contrib.	12 FATCA filing requirement <input type="checkbox"/>	14 State tax withheld	15 State/Payer's state no.	16 State distribution
\$			\$		\$
Account number (see instructions)		13 Date of payment	17 Local tax withheld	18 Name of locality	19 Local distribution
			\$		\$
			\$		\$

Form 1099-R [www.irs.gov/Form1099R](http://www.irs.gov/Form1099R) Department of the Treasury - Internal Revenue Service



# Fair Market Valuation (FMV) Statement

- IRA custodians and trustees are regulated to provide FMVs to IRA holders by January 31 of the following year
- Reports the December 31 balance of an individual's IRA
- Used for RMD calculation
- Amount may come from the IRA holder
  - Custodians may use alternatives besides an appraisal
  - Some values may be difficult to acquire promptly
    - Partnerships
    - LLCs



# Required Minimum Distribution (RMD) Statement

- Required for custodians under IRS notice 2002-27
- IRA custodians and trustees must provide RMD statements to IRA holders by January 31 of the year an RMD is due
- Assists in notifying IRA holders that they have an RMD due that year



# What is IRS Form 1099-R?

- IRS Form 1099 Series: Reports distributions and other taxable events from retirement plans
- Sent out by IRA custodians and trustees by January 31 of the following year
- Not all reportable distributions are taxable
  - Recharacterizations
  - Direct rollovers
- Does not need to be filed with the tax return unless there's an amount on **Box 4** "Federal Income Tax Withheld"

OMB No. 1545-0119	<b>Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.</b>
<b>2024</b>	
Form <b>1099-R</b>	
Total distribution <input type="checkbox"/>	<b>Copy 1 For State, City, or Local Tax Department</b>
<b>4</b> Federal income tax withheld	
\$	

# March 15<sup>th</sup>

- Tax deadline for S-corporations and Partnerships
  - (see IRS Publications 4951 & 541)
- SEP and Individual 401(k) Plan establishment and contribution deadline for S-corps and partnerships
  - (see IRS Publication 560)

## S Corporation

Passthrough entity



Less than 100 shareholders



# April

## 1<sup>st</sup>

- Deadline for Traditional IRA, SEP, SIMPLE and Individual 401(k) Plan participants, who turned 73 in 2023 and delayed the distribution of their first RMD, to take their first RMD

## 15<sup>th</sup>

- Individual tax return due date
- Deadline to make an IRA contribution—**does not** include extensions
- Deadline to establish and contribute to SEP or Individual 401(k) Plans for sole proprietors or C-corporations (*see IRS Publication 560*)
- Same deadline to recharacterize a current year contribution, as well as execute a corrective distribution of an ineligible IRA contribution

## 30<sup>th</sup>

- Deadline for IRA custodians and trustees to mail IRS Form 5498-ESA to IRA holders

# May 31<sup>st</sup>

- IRA custodians and trustees must mail IRS Forms 5498 and 5498-SA to IRA holders by May 31
  - While IRS Form 5498-SA covers HSA plans, the 5498 reports IRA contributions, rollovers, Roth IRA conversions, and required minimum distributions (RMDs) to the IRS

<input type="checkbox"/> CORRECTED (if checked)		OMB No. 1545-0747		<b>IRA Contribution Information</b>
TRUSTEE'S or ISSUER'S name, street address, city or town, state or province, country, and ZIP or foreign postal code		1 IRA contributions (other than amounts in boxes 2-4, 8-10, 13a, and 14a)	2024	
		\$	Form 5498	<b>Copy B</b>
TRUSTEE'S or ISSUER'S TIN		2 Rollover contributions		
PARTICIPANT'S TIN		\$		<b>For Participant</b>
PARTICIPANT'S name		3 Roth IRA conversion amount	4 Recharacterized contributions	
Street address (including apt. no.)		\$	\$	This information is being furnished to the IRS.
City or town, state or province, country, and ZIP or foreign postal code		5 FMV of account	6 Life insurance cost included in box 1	
		\$	\$	
		7 IRA <input type="checkbox"/> SEP <input type="checkbox"/> SIMPLE <input type="checkbox"/> Roth IRA <input type="checkbox"/>		
		8 SEP contributions	9 SIMPLE contributions	
		\$	\$	
		10 Roth IRA contributions	11 If checked, required minimum distribution for 2024 <input type="checkbox"/>	
		\$		
		12a RMD date	12b RMD amount	
			\$	
		13a Postponed/late contrib.	13b Year	
		\$	13c Code	
		14a Repayments	14b Code	
		\$		
Account number (see instructions)		15a FMV of certain specified assets	15b Code(s)	
		\$		

Form 5498 (keep for your records) www.irs.gov/Form5498 Department of the Treasury - Internal Revenue Service

2727 <input type="checkbox"/> VOID <input type="checkbox"/> CORRECTED		OMB No. 1545-1518		<b>HSA, Archer MSA, or Medicare Advantage MSA Information</b>
TRUSTEE'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone number		1 Employee or self-employed person's Archer MSA contributions made in 2023 and 2024 for 2023	2024	
		\$	Form 5498-SA	<b>Copy A</b>
TRUSTEE'S TIN		2 Total contributions made in 2023		
PARTICIPANT'S TIN		\$		<b>For Internal Revenue Service Center</b>
PARTICIPANT'S name		3 Total HSA or Archer MSA contributions made in 2024 for 2023		
Street address (including apt. no.)		\$		File with Form 1096. For Privacy Act and Paperwork Reduction Act Notice, see the 2023 General Instructions for Certain Information Returns.
City or town, state or province, country, and ZIP or foreign postal code		4 Rollover contributions	5 Fair market value of HSA, Archer MSA, or MA MSA	
Account number (see instructions)		\$	\$	
		6 HSA <input type="checkbox"/>		
		Archer MSA <input type="checkbox"/>		
		MA MSA <input type="checkbox"/>		

Form 5498-SA Cat. No. 38467V www.irs.gov/Form5498SA Department of the Treasury - Internal Revenue Service  
Do Not Cut or Separate Forms on This Page — Do Not Cut or Separate Forms on This Page

# May 31<sup>st</sup>

- Deadline for IRA holders to remove excess ESA contributions and earnings for 2023
- To remove excess contributions, request a withdrawal from your financial institution



# September

## 16<sup>th</sup>

- Deadline for S-corporations and partnerships (that filed for a tax return extension for 2023) to make contributions
- The same deadline applies to employers (that filed for a tax return extension) establishing SEP and Individual 401(k) Plans for tax year 2023
- Deadline for S-corporations and partnerships (that filed for a tax return extension for 2023) to make SIMPLE Plan employer contributions





# October

**1<sup>st</sup>**

- Deadline for existing businesses to establish a new SIMPLE Plan for tax year 2024



# October

## 15<sup>th</sup>

- Deadline for C-corporations and sole proprietors (who filed for a tax extension) to establish and contribute to SEP and Individual 401(k) Plans for tax year 2023
- Taxpayers who filed a tax extension, or filed their taxes timely, must remove or recharacterize a 2023 contribution by this date
- Deadline for C-corporations and sole proprietors (who filed for an extension) to make SIMPLE Plan employer contributions for tax year 2023

## 31<sup>st</sup>

- IRA custodians and trustees must send out the document required to satisfy the SIMPLE Plan notice requirements by this date

# November

## **2<sup>nd</sup>**

- 60 days before the following plan year, businesses must provide notices to their employees about the type of contribution they will be making for tax year 2025

## **15<sup>th</sup>**

- IRA custodians and trustees must send Fair Market Valuation notifications to all clients by the end of the 2<sup>nd</sup> week in November to update their asset's FMV (except publicly-traded assets with openly available market prices)

# December 31<sup>st</sup>

- Traditional IRA, SEP, SIMPLE and Individual 401(k) Plan participants (who are older than 73) must distribute their RMD by this date
- Separate accounts/inherited IRAs must be established by this date for each beneficiary of IRA holders who died in 2023

# New Limits & Ranges

Contribution Limits, Ranges &  
Cost-of-Living Adjustments



# Traditional & Roth IRA Contribution Limits

Contribution Categories	2023	2024
Up to age 50	\$6,500	\$7,000
Catch-up contributions age 50+	\$1,000	\$1,000
Total contribution if over the age 50+	\$7,500	\$8,000

# Traditional IRA Modified Adjusted Gross Income Limits

<b>Participant Status</b>	<b>2023</b>	<b>2024</b>
Single individuals	\$73,000 – \$83,000	\$77,000 – \$87,000
Married, filing a joint tax return	\$116,000 – \$136,000	\$123,000 – \$143,000
Married, filing separate tax returns	\$0 – \$10,000	\$0 – \$10,000
Spouse of an active participant	\$218,000 – \$228,000	\$230,000 – \$240,000

# Roth IRA Contribution Limits

## MAGI Phase-Out Ranges

Participant Status	2023	2024
Single individuals	\$138,000 - \$153,000	\$146,000 - \$161,000
Married, filing a joint tax return	\$218,000 - \$228,000	\$230,000 - \$240,000
Married, filing separate tax returns	\$0 - \$10,000	\$0 - \$10,000



# Employer-Sponsored Plan Contribution Limits

<b>SIMPLE IRA</b>	<b>2023</b>	<b>2024</b>
Deferrals	\$15,500	\$16,000
Catch-up contributions age 50+	\$3,500	\$3,500
Total contribution if over the age 50+	\$19,000	\$19,500

# Employer-Sponsored Plan Contribution Limits

<b>SEP IRA</b>	<b>2023</b>	<b>2024</b>
Less of 25% of compensation or:	\$66,000	\$69,000
Compensation limits	\$650	\$650
Maximum compensation cap	\$330,000	\$345,000

# Employer-Sponsored Plan Contribution Limits

Individual 401(k)	2023	2024
Employer contributions	\$66,000	\$69,000
Employee deferral	\$22,500	\$23,000
Catch-up contributions age 50+	\$7,500	\$7,500

# Health Savings Account Contribution Limits

HSA	2023	2024
Single Coverage	\$3,850	\$4,150
Family Coverage	\$7,750	\$8,050
Catch-up contributions age 55+	\$1,000	\$1,000

# Education Savings Account Contribution Limits

ESA	2023	2024
Limits per year until child is 18	\$2,000	\$2,000

# Learning New Laws

Always prepare for change



# SECURE Act 2.0

Effective January 1<sup>st</sup>

- Passed in 2022, measures from SECURE Act 2.0 went into effect January 1, 2024
- There are 8 items that you should understand



# 8 Ways SECURE Act 2.0 Affects Your Retirement

## 1. Automatic 401(k) enrollment





# 8 Ways SECURE Act 2.0 Affects Your Retirement

1. Automatic 401(k) enrollment
2. A new 401(k) employer contribution option



# 8 Ways SECURE Act 2.0 Affects Your Retirement

1. Automatic 401(k) enrollment
2. A new 401(k) employer contribution option
3. Required minimum distributions



# 8 Ways SECURE Act 2.0 Affects Your Retirement

1. Automatic 401(k) enrollment
2. A new 401(k) employer contribution option
3. Required minimum distributions
4. Catch-up contributions



# 8 Ways SECURE Act 2.0 Affects Your Retirement

## 5. Education savings and loan debt



# 8 Ways SECURE Act 2.0 Affects Your Retirement

5. Education savings and loan debt

6. Saver's Tax Credit



# 8 Ways SECURE Act 2.0 Affects Your Retirement

5. Education savings and loan debt

6. Saver's Tax Credit

7. Hardship withdrawals



# 8 Ways SECURE Act 2.0 Affects Your Retirement

5. Education savings and loan debt

6. Saver's Tax Credit

7. Hardship withdrawals

8. Emergency savings



**Let's  
Summarize**





# Preparing For Success in 2024



**Mark Your  
Calendars**



**Learn Your  
Limits**



**Stay Updated  
on Laws**

# What's Next?



## **Upcoming Webinar: Top Disruptive Real Estate Trends in 2024**

➔ Register today & join us February 7th!



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QUESTION  
AND ANSWER  
SESSION



# Stay Connected



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“

**Education** is the passport to the future, for tomorrow belongs to those who prepare for it today.

- *Malcolm X*

