

2024 Retirement Plan Contributions

| | Pre-Tax 401(k) contributions | Roth 401(k) contributions |
|--|---|--|
| Contributions | Pre-tax | After-tax |
| Employer Contributions | Yes | Yes |
| Contribution limits | \$23,000 ¹ - \$30,500 if age 50+ | |
| Income restrictions | Not applicable | Not applicable |
| Investment earnings | Tax-deferred earnings ² | Tax-free earnings ³ |
| Taxes | Pay taxes on contributions and earnings at time of distribution. Reduces current tax liability | Pay taxes on contributions immediately; earnings distributed tax-free for qualified withdrawals |
| Access to money during employment | Loans and in-service withdrawals may be available, subject to withdrawal restrictions | Loans and in-service withdrawals may be available, subject to withdrawal restrictions |
| Distributions | Contributions and earnings are taxed at distribution. Federal, State, and Local income tax may apply. Penalty of 10% for distributions prior to age 59½ may apply | Tax-free if qualified distributions. Must meet two conditions: 1. Attainment of age 59½, death, or total disability AND 2. Roth account must be in existence for five years beginning with first taxable year a Roth contribution was made |
| Required minimum distributions | In general, age 73, unless still employed | No longer required |
| Rollovers | Can be rolled over to another 401(k) or a traditional IRA | Can be rolled over to another Roth 401(k) (if plan allows) or a Roth IRA |

This information is intended to provide a general summary and is not tax advice. Please consult your tax advisor or visit www.irs.gov for specific information about how the tax rules apply to your situation.

¹ For 2024, the IRS maximum you can contribute to a 401(k) plan is a total of \$23,000 (or \$30,0500 if you are 50 or older) through pre-tax contributions, Roth contributions, or a combination of both. Each year the IRS may adjust the maximum dollar amount you can contribute to a 401(k) plan.

² Pre-tax contribution earnings are taxed at distribution.

³ A "qualified distribution" of earnings can be tax-free. For a distribution to be qualified, the distribution must (1) be after you've reached age 59 ½ and (2) must occur at least five years following the first contribution (some exceptions apply). Based on qualified distribution rules.

| | Traditional IRA contributions | Roth IRA contributions |
|---------------------------------------|--|---|
| Contribution benefit | Tax-deferred growth—earnings accumulate tax-deferred until you withdraw them in retirement, when your tax rate may be lower than it is during your working years. | Tax-free growth—earnings grow and compound free from federal income tax, regardless of what your tax rate is in retirement. |
| Employer Contributions | No | No |
| Contribution limits | \$7,000 ¹ - \$8,000 if age 50+ | |
| Income limits | No, anyone with earned income may contribute. But only those who meet certain income thresholds may deduct their contributions. | Yes ² |
| Tax-deductible contributions | Yes. If you meet certain income requirements or are not covered by an employer-sponsored retirement plan, you may deduct all or a portion of your contributions and reduce your current taxable income. ³ | No |
| Age limits | As a result of changes made by the SECURE Act, anyone with earned income may contribute to a traditional IRA for 2020 or later regardless of your age. | No, anyone with earned income may contribute. |
| Taxation at withdrawals | Pre-tax contributions and all earnings are taxable upon withdrawal. | Withdrawal of contributions is always tax-free; earnings are tax-free if account is at least five years old and you meet one of the following qualifications: age 59½, disability, first-time home purchase, death. |
| Penalties | Withdrawals prior to age 59½ may be subject to a 10% penalty (in addition to income tax) unless an exception applies. ⁴ | A 10% penalty may apply to non-qualified withdrawals. |
| Required minimum distributions | You must begin taking distributions at age 73. | No, you do not have to make any withdrawals during your lifetime. Your beneficiaries won't owe taxes on the distributions. |
| 2024 Contribution deadline | April 15, 2025 | April 15, 2025 |
| Rollovers | Can be rolled over to another 401(k) or a traditional IRA | Can be rolled over to another Roth 401(k) (if plan allows) or a Roth IRA |

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¹ For 2024, the IRS maximum you can contribute to an IRA is a total of \$7,000 (or \$8,000 if you are 50 or older) through pre-tax contributions, Roth contributions, or a combination of both. Each year the IRS may adjust the maximum dollar amount you can contribute to an IRA.

² Single filers with 2024 modified adjusted gross income (MAGI) of less than \$161,000 (phase-out begins at \$146,000) and joint filers with MAGIs of less than \$240,000 (phase-out begins at \$230,000) may contribute.

³ If you're not covered by a retirement plan at work and your spouse is covered by an employer plan then you're allowed a full deduction up to your contribution limit if your MAGI is \$230,000 or less and a partial deduction up to your contribution limit if your MAGI is \$240,000 or less.

⁴ Exceptions include qualified higher education expenses, qualified first home purchase (lifetime limit of \$10,000), qualified birth or adoption expenses (up to \$5,000), qualified disaster recovery distributions, qualified reservist, certain major medical expenses, substantially equal periodic payments, certain long-term unemployment expenses, involuntary distributions, death, and disability.