

December 2023

Certain limitations and base amounts may be adjusted each year. Some of the adjustments are as follows:

	<u>2024</u>	<u>2023</u>	<u>2022</u>
401(k) deferral limit	\$23,000/*\$30,500	\$22,500/*\$30,000	\$20,500/*\$27,000
SIMPLEs	\$16,000/*\$19,500	\$15,500/*\$19,000	\$14,000/*\$17,000
IRAs	\$6,500/*\$7,500	\$6,500/*\$7,500	\$6,000/*\$7,000
Compensation limit for qualified plan & SEP	\$345,000	\$330,000	\$305,000
Defined contribution annual addition limitation	\$69,000	\$66,000	\$61,000
Employer deduction percentage limit	25%	25%	25%
Social Security wage base	\$168,600	\$160,200	\$147,000
Social Security tax rate – Employer & Employee	6.2%	6.2%	6.2%
Medicare wage base	Unlimited	Unlimited	Unlimited
Medicare tax rate - Employer	1.45%	1.45%	1.45%
Medicare tax rate - Employee	1.45%-2.35%**	1.45%-2.35%**	1.45%-2.35%**
Minnesota unemployment tax wage base	\$42,000	\$40,000	\$38,000
Social Security limit on outside earnings			
Under full retirement age	\$22,320	\$21,240	\$19,560
Retirement age or older	Unlimited	Unlimited	Unlimited
Automobile mileage rates			
Business miles	\$0.67	\$0.655	\$.0585/^\$.0625
Charitable miles	\$0.14	\$0.14	\$0.14
Medical miles or moving miles	\$0.21	\$0.22	\$0.18/^\$.022
Health Savings Accounts Contribution Limits			
Self-coverage maximum	\$4,150	\$3,850	\$3,650
Family coverage maximum	\$8,300	\$7,750	\$7,300
Catch-up contribution if 55 or older	\$1,000	\$1,000	\$1,000
Estate			
Federal estate tax exemption	\$13,610,000+	\$12,920,000+	\$12,060,000+
MN estate tax exemption	\$3,000,000	\$3,000,000	\$3,000,000
Annual gift exclusion	\$18,000	\$17,000	\$16,000

- * Higher limit if you are at least 50 years old by the end of the year
- ** Higher rate on wages in excess of \$200,000 (\$250,000 MFJ/\$125,000 MFS)
- ^ Rate increase for July 1st to December 31st
- + Plus Portability from deceased spouse (DSUEA)

If you have any questions, do not hesitate to call. Thank you for giving us the opportunity to serve you.