

# 2024 Fingertip Tax Guide

This Guide reflects 2024 inflation adjustments related to individual income taxes, transfer taxes, business taxes, retirement contribution limits, and more. Please note that under the Tax Cuts and Jobs Act (TCJA) of 2017, many of the provisions that affect individual taxpayers are set to expire at the end of 2025, reverting to pre-TCJA law.

## Ordinary income taxes 2024

If taxable income is:<sup>1</sup>

	Over	But not over	The tax is	Of the amount over
<b>Married filing jointly</b>	\$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
	\$731,200	—	\$196,669.50 + 37%	\$731,200
<b>Single</b>	\$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
	\$609,350	—	\$183,647.25 + 37%	\$609,350
<b>Estates and trusts</b>	\$0	\$3,100	\$0 + 10%	\$0
	\$3,100	\$11,150	\$310 + 24%	\$3,100
	\$11,150	\$15,200	\$2,242 + 35%	\$11,150
	\$15,200	—	\$3,659.50 + 37%	\$15,200

INSURANCE PRODUCTS	MAY LOSE VALUE	NOT A DEPOSIT
NOT BANK GUARANTEED	NOT FDIC INSURED	
NOT INSURED BY ANY GOVERNMENT AGENCY		

# Capital gains tax 2024

28% capital gains rate on collectibles

Long-term capital gains rates*	Single	Married filing jointly	Estates and trusts
0%	\$47,025 or below	\$94,050 or below	\$3,150 or below
15%	\$47,026 – \$518,900	\$94,051 – \$583,750	\$3,151 – \$15,450
20%	Over \$518,900	Over \$583,750	Over \$15,450

\*Other than collectibles and qualified business stock.

**Note:** Qualified dividends are taxed the same as capital gains.

## Alternative minimum tax exemption amounts

	2023	2024
Married filing jointly	\$126,500	\$133,300
Single	\$81,300	\$85,700
Estates and trusts	\$28,400	\$29,900

## Standard deductions

	2023	2024
Married filing jointly	\$27,700	\$29,200
Single	\$13,850	\$14,600

## Net investment income (NII) tax thresholds

3.8% additional tax on earned income

	Applicable on NII when taxpayer's income exceeds
Married filing jointly	\$250,000
Married filing separately	\$125,000
Any other filing status	\$200,000

**Note:** Thresholds are not indexed for inflation.

## Medicare tax thresholds

0.9% additional tax on earned income

	Applicable on earned income amounts over
Married filing jointly	\$250,000
Married filing separately	\$125,000
Any other filing status	\$200,000

**Note:** Thresholds are not indexed for inflation.

## Social Security benefits

Maximum annual earnings before Social Security benefits are reduced

	2023	2024
Before full retirement age (lose \$1 for every \$2 of earnings)	\$21,240	\$22,320
Year of full retirement age (lose \$1 for every \$3 of earnings)	\$56,520	\$59,520
After full retirement age	No limit	No limit

## FICA income limits

Maximum compensation subject to FICA taxes

	2023	2024
OASDI (Old-age, survivors, and disability insurance) – Social Security maximum	\$160,200	\$168,600
HI (Hospital insurance) – Medicare maximum	No limit	No limit

## Qualified plans

	2023	2024
Contribution limit to qualified retirement plans (e.g., 401(k), 403(b) and 457(b) plans) <sup>2</sup>	\$22,500	\$23,000
401(k) age 50+ catch-up contribution limit	\$7,500	\$7,500
Maximum IRA contribution limit	\$6,500	\$7,000
IRA age 50+ catch-up contribution limit	\$1,000	\$1,000
Maximum contribution to SIMPLE plan	\$15,500	\$16,000
SIMPLE plan age 50+ catch-up contribution limit	\$3,500	\$3,500
Annual includible compensation limit	\$330,000	\$345,000
Limitation on annual additions to a defined contribution plan	\$66,000	\$69,000
Highly compensated employee compensation limit	\$150,000	\$155,000
Limitation on the annual benefit under a defined benefit plan	\$265,000	\$275,000

## Roth IRA income limits for contributions

	2023	2024
Married filing jointly	\$218,000 – \$228,000	\$230,000 – \$240,000
Single	\$138,000 – \$153,000	\$146,000 – \$161,000

## Corporations

	2024
C corporations	21% flat tax
Pass-through businesses (S corporations, partnerships) and sole proprietors	Tax rate of owner, but up to 20% deduction on “qualified business income” subject to threshold limits (see 199A thresholds)

**Note:** Deduction for pass-through businesses is subject to strict rules and testing requirements; deduction unavailable for specified service-oriented businesses where owner’s income exceeds certain limits (see below).

## 199A thresholds

	2023	2024
Married filing jointly	\$364,200 – \$464,200	\$383,900 – \$483,900
Married filing separately	\$182,100 – \$232,100	\$191,950 – \$ 241,950
Any other filing status	\$182,100 – \$232,100	\$191,950 – \$ 241,950

## Long-term care/chronic illness

Periodic payments received under qualified long-term care insurance contracts or life insurance contracts with long-term care and chronic illness riders

	2023	2024
Per diem limit	\$420	\$410

Deduction for eligible long-term care premiums per IRC §213(d)(10)

	2023	2024
Age 40 or less	\$480	\$470
Over age 40 but not more than 50	\$890	\$880
Over age 50 but not more than 60	\$1,790	\$1,760
Over age 60 but not more than 70	\$4,770	\$4,710
More than 70	\$5,960	\$5,880

## Estate and gift taxes 2024

Over	But not over	The tax is	Of the amount over	Tax exemptions for 2024
\$0	\$10,000	\$0 + 18%	\$0	<b>Annual gift tax exclusion:</b> Individual donor may gift \$18,000 per donee
\$10,000	\$20,000	\$1,800 + 20%	\$10,000	
\$20,000	\$40,000	\$3,800 + 22%	\$20,000	<b>Gift tax exemption:</b> \$13,610,000
\$40,000	\$60,000	\$8,200 + 24%	\$40,000	
\$60,000	\$80,000	\$13,000 + 26%	\$60,000	<b>Estate and generation-skipping transfer tax exemption:</b> \$13,610,000
\$80,000	\$100,000	\$18,200 + 28%	\$80,000	
\$100,000	\$150,000	\$23,800 + 30%	\$100,000	<b>Annual gift tax exclusion for a non-citizen spouse:</b> \$185,000
\$150,000	\$250,000	\$38,800 + 32%	\$150,000	
\$250,000	\$500,000	\$70,800 + 34%	\$250,000	<b>Maximum gift tax rate: 40%</b>
\$500,000	\$750,000	\$155,800 + 37%	\$500,000	
\$750,000	\$1,000,000	\$248,300 + 39%	\$750,000	
\$1,000,000	—	\$345,800 + 40%	\$1,000,000	

## Estate tax rates and exemptions

Year	Top estate tax rate	Estate tax exemption	Applicable credit
2010	0 <sup>3</sup> /35%	\$0 <sup>3</sup> /\$5,000,000	\$0 <sup>3</sup> /\$1,730,800
2011	35%	\$5,000,000	\$1,730,800
2012	35%	\$5,120,000	\$1,772,800
2013	40%	\$5,250,000	\$2,045,800
2014	40%	\$5,340,000	\$2,081,800
2015	40%	\$5,430,000	\$2,117,800
2016	40%	\$5,450,000	\$2,125,800
2017	40%	\$5,490,000	\$2,141,800
2018	40%	\$11,180,000	\$4,417,800
2019	40%	\$11,400,000	\$4,505,800
2020	40%	\$11,580,000	\$4,577,800
2021	40%	\$11,700,000	\$4,625,800
2022	40%	\$12,060,000	\$4,769,800
2023	40%	\$12,920,000	\$5,113,800
2024	40%	\$13,610,000	\$5,389,800

**Note:** The TCJA increased the gift, estate, and GST tax exemptions to \$10 million (indexed for inflation), but these exemptions are scheduled to expire and revert back to \$5 million (indexed for inflation) after 12/31/2025. In November 2019, final regulations were issued clarifying that there will be no “clawback” of any unified credit used before 2026 when the exemption reverts to a \$5 million exemption (indexed for inflation).

For additional information, please contact your local  
**John Hancock Representative.**

1. The rates listed are for the regular income tax. Some taxpayers may be subject to the Alternative Minimum Tax (AMT) instead; every taxpayer is responsible for paying the higher of the regular income tax or the AMT.
2. The contribution limit is the same for regular and Roth 401(k) plans; a total of \$23,000 can be contributed in 2024 to one or both types of 401(k) plans.
3. In 2010, decedents had the choice between full estate tax repeal but with carryover basis or exposure to estate tax with a \$5 million exemption and a maximum tax rate of 35%.

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