SAVING & INVESTING

CATCHING UP ON YOUR RETIREMENT SAVINGS

SAVINGS OPTIONS FOR THOSE AGE 50 AND OVER

If you're in your 50s, 60s or older, you may wish you had started saving for retirement sooner than you did. While we can't turn back the hands of time, fortunately there is some good news for taxpayers who are age 50 or over and looking to sock away a little extra.

This good news comes in the form of special "catch-up contribution" options that are only available to retirement savers age 50 or older.

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HOW DOES IT WORK?

Federal tax laws place limits on the amount of tax-sheltered retirement savings you can set aside each year through IRAs and employer-sponsored retirement plans such as 401(k) plans. These funding limits are set by Congress and, from time to time, increased for inflation. Recognizing that many retirement savers find themselves trying to play "catch-up" as they get closer to retirement age, Congress provides increased funding limits for individuals who are age 50 or older.

TIME TO TAKE CONTROL

If you're 50 or older and feel like you have a little catching up to do with your retirement savings, you're not alone. Many retirement savers share your concerns. Fortunately, whether you save through a workbased retirement plan, an IRA, or both, the special catch-up contribution rules provide you with the added funding flexibility you need to take control of your financial future.

EMPLOYER-SPONSORED RETIREMENT PLANS

If you participate in an employer-sponsored retirement plan, you may be eligible to make catch-up contributions through your workplace retirement savings program. For 2024, the standard salary deferral limit for plans such as 401(k) plans and 403(b) plans is $23,000. However, participants who are age 50 or older in 2024 are generally eligible to make an additional catch-up contribution of up to $7,500. Likewise, while the standard 2024 salary deferral limit for SIMPLE IRA plan participants is $16,000, SIMPLE IRA plan participants who are age 50 or older generally are eligible to make an additional catch-up contribution of up to $3,500.

Tax Year	Maximum Salary Deferral Contribution			
	401(k) and 403(b)*		SIMPLE IRA	
	Under Age 50	Age 50 or Older	Under Age 50	Age 50 or Older
2024	$23,000	$30,500 ($23,000 + $7,500)	$16,000	$19,500 ($16,000 + $3,500)
2023	$22,500	$30,000 ($22,500 + $7,500)	$15,500	$19,000 ($15,500 + $3,500)

**Note: Under certain circumstances, 403(b) plan participants may be eligible for other special contribution options in addition to (or, in lieu of) the catch-up contribution option for participants age 50 or older.*

IRA CATCH-UP CONTRIBUTIONS

For 2024, the standard funding limit for Traditional and Roth IRAs is $7,000. If you are age 50 or older by year end, however, you may be eligible to contribute an additional $1,000 catch-up contribution, bringing your maximum 2024 IRA contribution up to $8,000.

Tax Year	Maximum IRA Contribution	
	Under Age 50	Age 50 or Older
2024	$7,000	$8,000 ($7,000 + $1,000)
2023	$6,500	$7,500 ($6,500 + $1,000)