

Your *Trust* Matters

January 2024 Newsletter



MidWestOne™
TRUST SERVICES



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At MidWestOne Bank, planning is at the heart of everything we do. Whether it's retirement, cash flow, education, tax, estate, risk management, investment, business succession, or a combination thereof, our team of advisors will help you establish and plan to achieve your goals.

We hope you'll enjoy this brief summary of 2024 tax updates as you begin to prepare for the New Year!

2024 Income Tax

Standard deduction	
Single	\$14,600
MFJ	\$29,200
Additional Medicare tax where income exceeds \$200,000 (\$250,000 MFJ)	
Excess of earned income	0.9%
Net Investment Income	3.8%

LTCG Rates Based on Taxable Income

0% rate	
Single, taxable income up to	\$47,025
MFJ, taxable income up to	\$94,050
20% rate	
Single, taxable income over	\$518,900
MFJ, taxable income over	\$583,750
Otherwise, 15%	

Retirement Plans

IRA contribution	
Under age 50	\$7,000
Age 50 and over	\$8,000
Phaseout for deducting IRA contribution ¹	
MFJ, max MAGI	\$143,000
Single, max MAGI	\$161,000
SEP contribution	
Up to 25% of compensation, limit	\$69,000
Elective deferrals--401(k), 403(b) ² , 457 ³	
Under age 50	\$23,000
Age 50 and over	\$30,500
Defined contribution limit	\$69,000
Qualified Charitable Distribution limit	\$105,000

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Estate and Gift Tax

Annual gift tax exclusion	\$18,000
Estate and gift tax exemption	\$13,610,000
Maximum tax rate	40%

Social Security

Maximum taxable earnings base	\$168,600
Maximum monthly retirement benefit at FRA	\$3,822
Cost of Living Adjustment	3.2%
Income ⁴ causing SS benefits to be taxable	
MFJ, up to 50% taxable, MAGI	\$32,000
MFJ, up to 85% taxable, MAGI	\$44,000
Single, up to 50% taxable, MAGI	\$25,000
Single, up to 85% taxable, MAGI	\$34,000

Health Savings Account

Minimum deductible amount	
Single	\$1,600
Family	\$3,200
Maximum out-of-pocket amount	
Single	\$8,050
Family	\$16,100
HSA statutory contribution maximum	
Single	\$4,150
Family	\$8,350
Catch-up contributions (age 55 or older)	\$1,000

¹ Applicability depends on the type of IRA, which persons participate in an employer-sponsored plan, the type of employer-sponsored plan offered, and MAGI.

² Special increased limit may apply to certain 403(b) contributors with 15 or more years of service.

³ In last 3 years prior to year of retirement, participants may be able to double elective deferral if needed to catch up on prior missed contributions, but if they do, they cannot use catch up.

⁴ Income is most income including muni bond interest by only 1/2 of Social Security.

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