### 2024 tax planning guide

#### Tax brackets for 2024

<table>
<thead>
<tr>
<th>Married, filing jointly (%)</th>
<th>Single (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>$0–$23,200</td>
<td>$0–$11,600</td>
</tr>
<tr>
<td>$23,201–$94,300</td>
<td>$11,601–$47,150</td>
</tr>
<tr>
<td>$94,301–$201,050</td>
<td>$47,151–$100,525</td>
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<tr>
<td>$201,051–$383,900</td>
<td>$100,526–$191,950</td>
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<tr>
<td>$383,901–$487,450</td>
<td>$191,951–$243,725</td>
</tr>
<tr>
<td>$487,451–$731,200</td>
<td>$243,726–$609,350</td>
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<tr>
<td>Over $731,200</td>
<td>Over $609,350</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Married, filing separately (%)</th>
<th>Single (%)</th>
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</thead>
<tbody>
<tr>
<td>$0–$11,600</td>
<td>$0–$11,600</td>
</tr>
<tr>
<td>$11,601–$47,150</td>
<td>$11,601–$47,150</td>
</tr>
<tr>
<td>$47,151–$100,525</td>
<td>$47,151–$100,525</td>
</tr>
<tr>
<td>$100,526–$191,950</td>
<td>$100,526–$191,950</td>
</tr>
<tr>
<td>$243,726–$609,350</td>
<td>$243,726–$609,350</td>
</tr>
<tr>
<td>Over $609,350</td>
<td>Over $609,350</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Head of household (%)</th>
<th>Single (%)</th>
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<tbody>
<tr>
<td>$0–$16,550</td>
<td>$0–$16,550</td>
</tr>
<tr>
<td>$16,551–$63,100</td>
<td>$16,551–$63,100</td>
</tr>
<tr>
<td>$63,101–$100,500</td>
<td>$63,101–$100,500</td>
</tr>
<tr>
<td>$100,501–$191,950</td>
<td>$100,501–$191,950</td>
</tr>
<tr>
<td>$243,726–$365,600</td>
<td>$243,726–$365,600</td>
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<tr>
<td>Over $365,600</td>
<td>Over $365,600</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Estates and trusts (%)</th>
<th>Single (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>$0–$3,100</td>
<td>$0–$3,100</td>
</tr>
<tr>
<td>$3,101–$11,150</td>
<td>$3,101–$11,150</td>
</tr>
<tr>
<td>$11,151–$15,200</td>
<td>$11,151–$15,200</td>
</tr>
<tr>
<td>Over $15,200</td>
<td>Over $15,200</td>
</tr>
</tbody>
</table>

#### Long-term capital gains/qualified dividend rates

- **0.0% rate when taxable income is below:**
  - Married, filing jointly: $94,050
  - Married, filing separately: $47,025
  - Head of household: $583,750
  - Single: $518,900
  - Estates and trusts: $15,450

- **15.0% rate when taxable income is below:**
  - Married, filing jointly: $529,900
  - Married, filing separately: $264,950
  - Head of household: $395,925
  - Single: $335,950
  - Estates and trusts: $13,950

#### Standard deduction

- Married, filing jointly: $29,200
- Single: $14,600
- Head of household: $21,900
- Blind or over 65: additional $1,550 if married; $1,950 if single

#### Capital loss limit

- Married, filing jointly: $3,000
- Single: $3,000
- Married, filing separately: $1,500

#### Estate and gift tax

- Transfer tax rate (maximum): 40%
- Estate tax exemption: $13,610,000
- Gift tax exemption: $13,610,000
- Generation-skipping transfer exemption: $13,610,000
- Annual gift tax exclusion: $18,000

#### Education

- **529 education savings plans**
  - Married, filing jointly: $18,000 per year before gift tax
  - Married, filing separately: $9,000 per year before gift tax
  - Head of household: $18,000 per year before gift tax
  - Single: $18,000 per year before gift tax

- **Lifetime learning credits**
  - Maximum credit: $2,000
  - Phaseout—single: $80,000–$90,000 MAGI
  - Phaseout—joint: $160,000–$180,000 MAGI

- **Student loan interest**
  - Deduction limit: $2,500
  - Phaseout—single: $80,000–$95,000 MAGI
  - Phaseout—joint: $165,000–$195,000 MAGI

- **Coverdell education savings account**
  - Contribution: $2,000
  - Phaseout—single: $95,000–$110,000 MAGI
  - Phaseout—joint: $190,000–$220,000 MAGI

- **American opportunity tax credit**
  - Maximum credit: $2,500
  - Phaseout—single: $80,000–$90,000 MAGI
  - Phaseout—joint: $160,000–$180,000 MAGI

#### Retirement

- **IRA and Roth IRA contributions**
  - Under age 50: $7,000
  - Aged 50 and over: $8,000

- **Phaseout for deducting IRA contributions**
  - For qualified plan participants only
  - Married, filing jointly: $123,000–$143,000 MAGI
  - Married, filing separately: $230,000–$240,000 MAGI
  - Single or head of household: $77,000–$87,000 MAGI

- **Phaseout of Roth contribution eligibility**
  - Married, filing jointly: $230,000–$240,000 MAGI
  - Married, filing separately: $0–$10,000 MAGI
  - Single: $146,000–$161,000 MAGI

- **SEP contribution**
  - Up to 25% of compensation
  - Limit: $69,000
  - To participate in SEP: $750

- **SIMPLE elective deferral**
  - Under age 50: $16,000
  - Aged 50 and over: $19,500

- **Qualified plan contributions**
  - 401(k), 403(b), 457, and SARSEP: $23,000
  - Aged 50 and over: $30,500
  - Limit on additions to defined contribution plan: $69,000
  - Benefit limit on defined benefit plan: $275,000
  - Highly compensated employee makes: $155,000
  - Annual compensation taken into account for qualified plans: $345,000

#### Kiddie tax

Earned income is taxed at single tax bracket rates. Unearned income in excess of $2,600 is taxed at the rates of the child’s parents.

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1. Modified adjusted gross income
2. Phaseout occurs when an IRA contributor isn't a participant in a qualified plan but the spouse is.
Getting to know SECURE Act 2.0

The Setting Every Community Up for Retirement Enhancement (SECURE) Act 2.0 was signed into law at the end of 2022, bringing many current and future enhancements to qualified retirement plans. The new provisions enable employers, the federal government, and the retirement plan industry to help Americans save more for retirement.

Increased ages for RMDs
Effective January 1, 2023, for individuals born after 1950, the age when they must begin taking required minimum distributions (RMDs) rises from 72 to 73. A person born in 1951 does not have to take an RMD until 2024 and can delay the first RMD until April 1, 2025. Beginning in 2033, the minimum age will rise to 75. In addition, the excise tax for delayed or insufficient RMDs is reduced from 50% to 25%, effective January 1, 2023.

Expanding automatic features
Starting in 2025, employers offering new 401(k) and 403(b) plans will be required to automatically enroll workers at 3% to 10% of the employee’s pay. Automatic escalation will also be required for these plans, increasing contributions by 1% a year, up to 10% to 15% of compensation.

Emergencies become exempt from 10% penalty
Starting in 2024, Americans under age 59½ can withdraw up to $1,000 for an unforeseeable personal or family expense (subject to certain conditions) without paying the additional 10% tax on early withdrawals.

Saver’s Credit to be payable as a match
Starting in 2027, the existing retirement savings contributions credit (Saver’s Credit) will become a matching contribution from the federal government available for lower- and middle-income workers.

Increased catch-up contributions
Beginning in 2025, people ages 60 to 63 will have increased catch-up contribution limits, capped at the greater of:

- $10,000, or
- 50% more than the regular catch-up amount for the year.

Roth enhancements
For 401(k), 403(b), and governmental 457(b) plans:

- Roth distributions are no longer subject to RMD rules, aligning with Roth IRAs.
- Employers may now make Roth matching or nonelective contributions, if they choose to.


Required minimum distributions
The Uniform Lifetime Table can be used by all IRA owners, unless their sole beneficiary for the entire year is a spouse who is more than 10 years younger. Then the Joint Life Expectancy Table is used (see IRS Pub. 590-B), which could reduce the RMD. Taking into account changes in mortality rates, the IRS has updated both tables, effective for RMDs required for tax years beginning in 2023. As a result of the SECURE Act 2.0, effective January 1, 2023, the minimum age at which IRA owners are required to take RMDs rose from 72 to 73; the age increases to 75 beginning January 1, 2033.

Uniform Lifetime Table3

<table>
<thead>
<tr>
<th>Age of account owner</th>
<th>Divisor</th>
<th>Age of account owner</th>
<th>Divisor</th>
<th>Age of account owner</th>
<th>Divisor</th>
</tr>
</thead>
<tbody>
<tr>
<td>73</td>
<td>26.5</td>
<td>83</td>
<td>17.7</td>
<td>93</td>
<td>10.1</td>
</tr>
<tr>
<td>74</td>
<td>25.5</td>
<td>84</td>
<td>16.8</td>
<td>94</td>
<td>9.5</td>
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<tr>
<td>75</td>
<td>24.6</td>
<td>85</td>
<td>16.0</td>
<td>95</td>
<td>8.9</td>
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<tr>
<td>76</td>
<td>23.7</td>
<td>86</td>
<td>15.2</td>
<td>96</td>
<td>8.4</td>
</tr>
<tr>
<td>77</td>
<td>22.9</td>
<td>87</td>
<td>14.4</td>
<td>97</td>
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<tr>
<td>78</td>
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<tr>
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<td>12.2</td>
<td>100</td>
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<tr>
<td>81</td>
<td>19.4</td>
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<td></td>
<td></td>
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<tr>
<td>82</td>
<td>18.5</td>
<td>92</td>
<td>10.8</td>
<td></td>
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</tr>
</tbody>
</table>

3 The table progresses until the divisor becomes 2.0 for ages 120 and higher.

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