



Advanced
Markets

2024 Year End Planning

Producer Use Only



Today's Topics

2024

What Happened in 2024

- Final SECURE Act regulations
- 2024 retirement account contribution deadlines
- RMD requirements if still working past age 73
- 2024 charitable giving deadlines

2025

Looking Forward to 2025

- 2025 tax updates
- Social Security updates
- TCJA's upcoming sunset
- Year end checkpoint for families
- Year end checkpoint for business owners



SECURE Act Final Regulations

- Inherited IRA Spousal Options
- 10-Year Rule

IRA Beneficiary Options - Surviving Spouse

1. Roll-Over to their own IRA

- Can defer distributions until surviving spouse's RBD (currently age 73)
- Calculate RMDs based on surviving spouse's Uniform Lifetime Table
 - *Good option if surviving spouse is younger than deceased spouse & does not need the income*

2. Treat Decedent's IRA as their own

- Take over and become owner of the existing IRA
 - *Good option if deceased spouse's IRA has favorable contractual conditions*

3. Inherit the IRA (the "stretch")

- Can delay RMDs until deceased's RBD (**uniform table**)
- Can take distributions prior to age 59 ½ without the 10% early withdrawal penalty
- Ability to "switch back" to own IRA
 - *Good option if surviving spouse wants distributions prior to age 59½*
 - *Also a good option if surviving spouse is older than deceased spouse & does not need the income*

IRA 10-Year Rule for Designated Beneficiaries

10-year distribution rule:

- Beneficiary has 10 years to deplete the IRA account balance
- Must also determine if they are required to take annual RMDs
 - **Original account holder dies before their RBD:** The beneficiary is not required to take RMDs. They must simply deplete the account by 12/31 of the 10th year
 - **Original account holder dies on, or after their RBD:** The beneficiary is required to take RMDs and deplete the account by 12/31 of the 10th year.

Examples of the 10-Year Rule

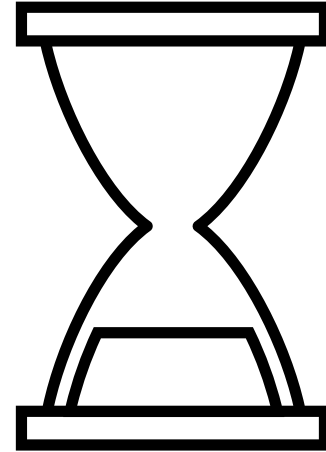
Example 1. IRA owner dies prior to their RBD date:

- IRA owner dies 09/01/2024 and is [68 years old](#)
- Designated son (age 50) as sole beneficiary
- His son must deplete the IRA account balance by 12/31/2034 and is NOT required to take RMDs each year

Example 2. IRA owner dies on, or after their RBD date:

- IRA owner dies 09/01/2024 and is [78 years old](#)
- Designated son (age 50) as sole beneficiary
- His son must deplete the IRA account balance by 12/31/2034 **and** take annual RMDs each year beginning in 2025.

2024 Retirement Account Contribution Deadlines



Retirement Account Contribution Deadlines

IRAs - Traditional & Roth

- April 15, 2025
- \$7k limit + \$1k catch-up

SIMPLE IRAs

- Employees: December 31, 2024
- Employers: April 15, 2025
- \$16k limit elective deferral + \$3,500 catch-up

SEPs

- April 15, 2025
- \$69k limit. 25% of employee's compensation w/ cap compensation of \$345k.

401(k), 403(b), 457

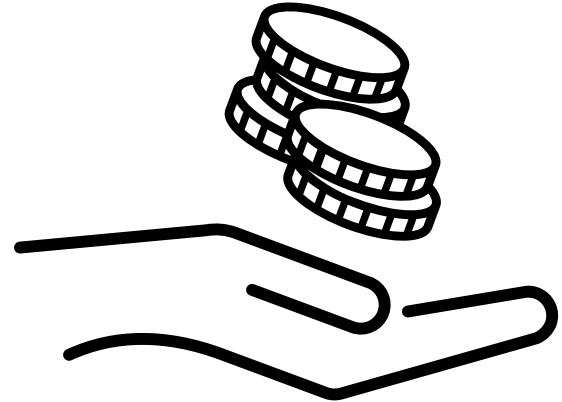
- Employees: December 31, 2024
- Employers: April 15, 2025
- \$23k limit elective deferral + \$7,500 catch-up

RMD Requirement if Working Past Required Beginning Date

If an account holder is still working when they reach their RBD they can delay RMDs while still working

- Applies to 401(k), 403(b), 457 plans
- IRAs are not afforded this benefit
- Must receive W2 income from the employer that sponsors the plan
- Can not own more than 5% of company
- Must take first RMD by April 1st following year of retirement

Charitable Giving

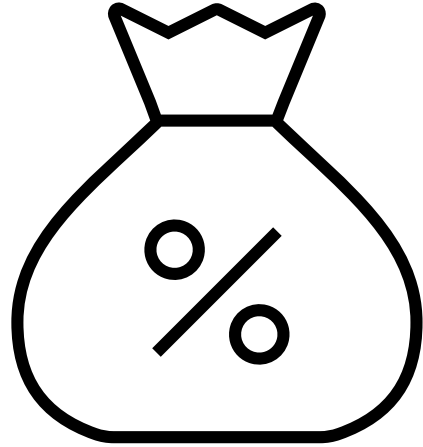


Charitable Giving

- Qualified Charitable Distribution (QCD) – December 31, 2024
 - \$105,000 limit for 2024
 - Must be 70 ½ or older
- Donor Advised Fund (DAF) - December 31, 2024
 - Maximum deduction for contributions to public charities:
 - Cash: 60% of adjusted gross income (AGI)
 - Appreciated assets: 30% of AGI (held for more than one year)

Looking Forward to 2025

2025 Tax Updates



Income Tax Brackets

2024

Tax Rate	Taxable Income (Single)	Taxable Income (Married Filing Jointly)
10%	Not over \$11,600	Not over \$23,200
12%	Over \$11,600 but not over \$47,150	Over \$23,200 but not over \$94,300
22%	Over \$47,150 but not over \$100,525	Over \$94,300 but not over \$201,050
24%	Over \$100,525 but not over \$191,950	Over \$201,050 but not over \$383,900
32%	Over \$191,950 but not over \$243,725	Over \$383,900 but not over \$487,450
35%	Over \$243,725 but not over \$609,350	Over \$487,450 but not over \$731,200
37%	Over \$609,350	Over \$731,200

2025

Tax Rate	Taxable Income (Single)	Taxable Income (Married Filing Jointly)
10%	Not over \$11,925	Not over \$23,850
12%	Over \$11,925 but not over \$48,475	Over \$23,850 but not over \$96,,950
22%	Over \$48,475 but not over \$103,350	Over \$96,950 but not over \$206,700
24%	Over \$103,350 but not over \$197,300	Over \$206,700 but not over \$394,600
32%	Over \$197,300 but not over \$250,525	Over \$394,600 but not over \$501,050
35%	Over \$250,525 but not over \$626,350	Over \$501,050 but not over \$751,600
37%	Over \$626,350	Over \$751,600

Standard Deductions

2024

Filing Status	2024 Standard Deduction
Single & Head of Household	\$14,600 + \$1,950 if over 65
Married Filing Jointly	\$29,200 + \$1,550 if over 65 (per individual)

2025

Filing Status	2025 Standard Deduction
Single & Head of Household	\$15,000 + \$2,000 if over 65
Married Filing Jointly	\$30,000 + \$1,600 if over 65 (per individual)

Capital Gains

2024

Tax rate	Single	Married filing jointly	Married filing separately	Head of household
0%	\$0 to \$47,025	\$0 to \$94,050	\$0 to \$47,025	\$0 to \$63,000
15%	\$47,026 to \$518,900	\$94,051 to \$583,750	\$47,026 to \$291,850	\$63,001 to \$551,350
20%	\$518,901 or more	\$583,751 or more	\$291,851 or more	\$551,351 or more

2025

Tax rate	Single	Married filing jointly	Married filing separately	Head of household
0%	\$0 to \$48,350	\$0 to \$96,700	\$0 to \$48,350	\$0 to \$64,750
15%	\$48,351 to \$533,400	\$96,701 to \$600,050	\$48,350 to \$300,000	\$64,751 to \$566,700
20%	\$533,401 or more	\$600,051 or more	\$300,001 or more	\$566,701 or more

Amounts based on MAGI

Annual Gifting & Lifetime Estate Tax Exemption

- Annual Gift Exclusion:
 - ✓ \$19,000 for 2025 (increased from \$18k for 2024)
- Lifetime Gift & Estate Exemption:
 - ✓ Decedents who die in 2025 have an exclusion amount of \$13,990,000 (increased from \$13,610,000 in 2024)

Gateway site: <https://www.mutualofomaha.com/advanced-markets-gateway/>

Higher Catch-up Contributions

Ages 60-63

SIMPLE IRAs

- \$16,500 limit
- \$3,500 catch-up for age 50-59 & 64+
- \$5,250 higher catch-up ages 60-63

401(k), 403(b), 457 Elective Employee Deferral

- \$23,500 limit
- \$7,500 catch-up for age 50-59 & 64+
- \$11,250 higher catch-up ages 60-63

Higher Catch-up Contributions - Example

Participants Age	Standard Contribution	Catch-up Contribution	Total Allowable Annual Contribution
50 - 59	\$23,500	\$7,500	\$31,000
60, 61, 62, 63	\$23,500	\$11,250	\$34,750
64 & older	\$23,500	\$7,500	\$31,000

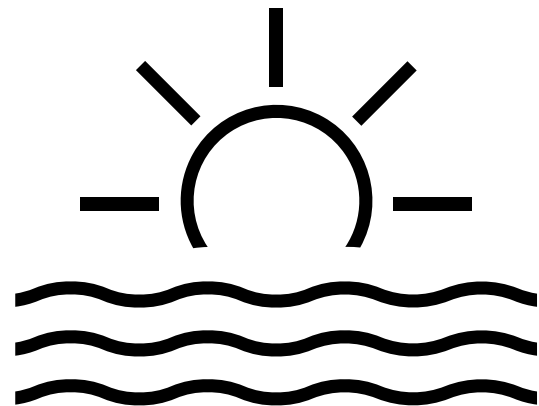
Other 2025 Tax Changes

- Earned Income Credit: \$649 - \$8,046 (\$632 - \$7,830 in 2024)
- Health Flexible Spending Cafeteria Plans: \$3,300 (\$3,200 in 2024)
- Health Savings Accounts: \$4,300 single / \$8,550 married. \$1k catch-up 55+
- Adoption Credits: \$17,280 (\$16,810 in 2024)
- No changes to Lifetime Learning Credits. \$2,000 maximum. MAGI limit \$80k/\$160k

Social Security Updates

- 2025 SS & SSI COLA increase: **2.5%** (was 3.2% for 2024)
- Still working and receiving benefits?
 - Electing benefits prior to FRA
 - ✓ Benefits will be reduced \$1 for every \$2 over \$23,400 (\$22,320 for 2024)
 - Electing benefits in the year you reach FRA, but prior to FRA
 - ✓ Benefits will be reduced \$1 for every \$3 over \$62,160 (\$59,520 for 2024)
 - Electing benefits at FRA or later
 - ✓ No earned income limit
- FICA Tax: \$176,600 earnings limit (\$168,600 in 2024)

TCJA Sunset?



TCJA Provisions Set to Expire - Individuals

- Lower income tax rates
- Increased standard deduction (eliminating personal exemptions)
- Increased alternative minimum tax (AMT) exemption
- Expanded child tax credit
- Expanded estate & gift tax exemption
- State & local tax deduction cap (SALT)
- Mortgage interest deduction cap

TCJA Provisions set to expire - Businesses

- Section 199A. Pass-through business income deduction – QBI
- Bonus depreciation
- Business Interest Deduction
- Limits on net operating loss deductions

- *Lowering the corporate tax rate to 21% was a permanent change*

Year End Checkpoint with Families

Be Sure to Review...



Will



Power of Attorney



Health Care POA



Living Will



Digital Assets



Retirement Savings
& Allocation



Is Estate Planning
needed?



Enough Insurance?

The Importance of Being Properly Protected

Life Insurance

- Income replacement
- Business protection
- Estate conservation

Income Replacement

Ages	\$25,000 or higher annual earned income
Under 30	40X
30-39	35X
40-49	30X
50-59	20X
60-64	10X
65+	7X*

Taken from MOO life insurance underwriting guide

Long Term Care Insurance

- 2024 median monthly cost for nursing care: \$10,025*
- Standalone Long Term Care policy, or
- Life Protection Advantage IUL with LTC rider

*SeniorLivingCare.org



Beneficiary Designations

- Naming an estate as beneficiary
- Contingent beneficiaries
- Minor children
- Community property states
- Divorce
- Business owned policies

Watch our:

Opportunities & Traps with Insurance Beneficiary Planning:

<https://www.mutualofomaha.com/advanced-markets-gateway/>



Beneficiary Designations Guide
#625582

Year End Checkpoint with Business Owners

Good Time to Review Buy-Sell Agreements

- Impact of *Connelly v. US*
- Structure – still good?
- What is the current business value?
- Is it properly funded given the current business value?
- We can help the planning process with a business valuation

Conversations with Business Owners

Key Employee

- Part of protecting the business
- Puts money into company to help survive loss of a key employee
- Gives business owner options for the cash value

Executive Bonus

- Strategy to reward and retain employees
- Can be used selectively
- May create a tax deduction for the company

Deferred Compensation

- Can be a way to reduce current taxable income
- Taxable (and may be deductible for the company) upon full vesting

Advanced Market Resources

Tax Guides



2024 Tax Reference Guide

Transfer Taxes

Applicable Exclusion Amount (Estate): \$12,920,000
Federal Estate Tax Rate Up to 40%

Applicable Exclusion Amount for Married Couple (Estate): \$25,840,000
Annual Gift Tax Exclusion: \$17,000
Annual Gift Tax Exclusion - Gift Splitting: \$34,000
Lifetime Gift Tax Exemption: \$12,920,000
Federal Gift Tax Rate Up to 40%

Generation-skipping Transfer Tax Exemption: \$12,920,000
Non-citizen Spouse (Annual Gift Tax Exclusion): \$175,000
Exclusion Amounts will revert back to lower amounts in 2026.

Qualified Retirement Plans (maximum limits)

SEP Plan Participant Maximum Percentage of Compensation 25%
SEP-Self-employed 20% of net business income

SEP Plan Per Participant Maximum Dollar Allocation Limit \$66,000
Simple IRA Employee Contribution 15,500
Simple IRA Catch-Up-Age 50 or Older 3,500

Existing SAR-SEP Plan-Elective Employee Deferral 22,500
SAR-SEP Catch-Up-Age 50 or Older 7,500

401(k) Plan, 457 Plan-Elective Employee Deferral 22,500
401(k) Plan, 457 Plan Catch-Up-Age 50 or Older 7,500

403(b) TSA-Elective Employee Deferral 22,500
403(b) TSA Catch-Up-Age 50 or Older 7,500
403(b) TSA Catch-Up-Up to More Years of Service with additional 403(b) catch-up contributions may be available - refer to plan documents \$3,500

Defined Contribution Plan Per Participant Maximum Dollar Allocation Limit 66,000
Maximum Employer Percentage Deduction Limit (of eligible payroll) 25%

Defined Benefit Plan Maximum Benefit Covered Compensation Limit 265,000
330,000
Highly Compensated Employee 150,000
Maximum QJAC Contribution 155,000

Roth IRAs

Maximum Annual Contribution

- Lesser of earned income or \$6,500
- Up to \$6,500 contribution can also be made for nonworking spouse
- Catch-up contributions (taxpayers age 50 and over): \$1,000

Contribution Eligibility

- MAGI is not more than \$138,000 (single and head of household) or \$218,000 (married filing jointly + widowed)
- Phase outs apply if MAGI is \$138,000-\$153,000 (single and head of household) or \$218,000-\$228,000 (married filing jointly + widowed)
- Phased out from \$0 to \$10,000 - MFS

Deductibility

- Contributions to Roth IRAs are not deductible

Traditional IRAs

Maximum Annual Contribution (must have earned income)

- Lesser of earned income or \$6,500
- Up to \$6,500 contribution can also be made for nonworking spouse
- Catch-up contributions (taxpayers age 50 and over): \$1,000
- The combined annual contribution to a Roth and traditional IRA cannot exceed the lesser of earned income or \$6,500

Traditional IRA Deductibility Rule

Filing Status	Covered by employer's retirement plan?	Modified AGI	Deductibility
Single and Head of Household	No	Any amount	Full
	Yes	less than \$73,000	Full
	Yes	\$73,000-\$83,000	Partial
Married Filing Jointly + Widowed	Neither spouse covered	Any amount	Full
	Both spouses covered	less than \$116,000	Full
Married Filing Jointly + Widowed	Nonparticipant married to a participant	\$116,000-\$136,000	Partial
		more than \$136,000	None
Married Filing Jointly + Widowed	Nonparticipant married to a participant	less than \$218,000	Full
		\$218,000-\$228,000	Partial
Married Filing Separately	Either	more than \$228,000	None
		less than \$10,000	Partial

Required Minimum Distributions Uniform Lifetime Table For use with the IRA owner (Joint Life Table)

Age	Factor	Age	Factor	Age	Factor	Age	Factor
72	27.4	80	20.2	88	13.7	96	8.4
73	26.5	81	19.4	89	12.9	97	7.8
74	25.5	82	18.5	90	12.2	98	7.3
75	24.6	83	17.7	91	11.5	99	6.8
76	23.7	84	16.8	92	10.8	100	6.4
77	22.9	85	16.0	93	10.1	101	6.0
78	22.0	86	15.2	94	9.5	102	5.6
79	21.1	87	14.4	95	8.9	103	5.2

Appendix B. Single Life Expectancy Tables. For use by beneficiaries of an IRA

Age	Life Expectancy	Age	Life Expectancy	Age	Life Expectancy	Age	Life Expectancy
0	84.6	28	57.3	56	30.6	84	8.7
1	83.7	29	56.3	57	29.8	85	8.1
2	82.8	30	55.3	58	28.9	86	7.6
3	81.8	31	54.4	59	28.0	87	7.1
4	80.8	32	53.4	60	27.1	88	6.6
5	79.8	33	52.5	61	26.2	89	6.1
6	78.8	34	51.5	62	25.4	90	5.7
7	77.9	35	50.5	63	24.5	91	5.3
8	76.9	36	49.6	64	23.7	92	4.9
9	75.9	37	48.6	65	22.9	93	4.6
10	74.9	38	47.7	66	22.0	94	4.3
11	73.9	39	46.7	67	21.2	95	4.0
12	72.6	40	45.7	68	20.4	96	3.7
13	71.9	41	44.8	69	19.6	97	3.4
14	70.9	42	43.8	70	18.8	98	3.2
15	69.9	43	42.9	71	18.0	99	3.0
16	69.0	44	41.9	72	17.2	100	2.8
17	68.0	45	41.0	73	16.4	101	2.6
18	67.0	46	40.0	74	15.6	102	2.5
19	66.0	47	39.0	75	14.8	103	2.3
20	65.0	48	38.1	76	14.1	104	2.2
21	64.1	49	37.1	77	13.3	105	2.1
22	63.1	50	36.2	78	12.6	106	2.1
23	62.1	51	35.3	79	11.9	107	2.1
24	61.1	52	34.3	80	11.2	108	2.0
25	60.2	53	33.4	81	10.5	109	2.0
26	59.2	54	32.5	82	9.9	110	2.0
27	58.2	55	31.6	83	9.3	111	2.0

Advanced Market Gateway Training Site

<https://www.mutualofomaha.com/advanced-markets-gateway/>



Advanced Markets Gateway



Advanced Markets Training Hub

Advanced Markets Gateway provides you with live and 24-7 training on demand opportunities from the Mutual of Omaha Advanced Markets Team. These training sessions cover a broad range of topics, providing the information you need to help close cases no matter how simple or complex.

The information provided on this page is intended for financial professionals only.



Advanced Market Gateway Training Site

<https://www.mutualofomaha.com/advanced-markets-gateway/>

^ Life Insurance Planning

[Life Protection Advantage 101 Video](#)

Join the Mutual of Omaha Advanced Markets team as we discuss the Life Protection Advantage 101.

[Taxation of Life Insurance](#)

Join Mutual of Omaha's Advanced Markets team as they discuss opportunities and traps when your clients make their beneficiary designations on insurance and non-qualified annuity policies.

[Opportunities & Traps with Insurance Beneficiary Planning](#)

Designating a beneficiary sounds simple, but can get tricky. When mistakes are made it not only creates problems for themselves, but also for their loved ones. Those that they initially were trying to benefit and protect by naming them as a beneficiary of the policy. Learn how to avoid some of those beneficiary mistakes.

[LTC Taxation](#)

Hear the team discuss the tax benefits of owning long-term care insurance.

[IUL Solutions 101](#)

Indexed Universal Life insurance doesn't have to be confusing. The Mutual of Omaha low-cost IUL story with an LTC Rider and competitive distributions makes it an ideal product for your clients.

[IUL Solutions 202 – Supplementing Retirement Income with Income Advantage](#)

Learn how to best illustrate an Income Advantage IUL for supplementing income in retirement. Income Advantage has become a great retirement planning option. In addition to its cash accumulation potential, the ability for tax free disbursements meets the needs of many clients and prospects. Understand how to best customize this solution in Winflex.

[10 Common Social Security Misconceptions](#)

Join us to learn how to help your clients better understand Social Security and consider ways to potentially optimize their benefits.



Questions?

(402) 351-4287

advanced.markets@mutualofomaha.com

Meet Your Advanced Markets Partners



Ron Lee
JD CLU ChFC CAP
VP Advanced Markets and
Brokerage Field Relations



Michelle Owens
JD CLU ChFC CEBS CAMS
Manager, Advanced Markets



Bill Beckett
CFP CLU ChFC MBA
Advanced Markets Specialist

Call (402) 351-4287 or email advanced.markets@mutualofomaha.com