

2024 RETIREMENT PLAN LIMITS

On November 1, 2023, the Internal Revenue Service announced the cost-of-living adjustments affecting dollar limitations for pension plans and other retirement-related items for tax year 2024.

- The 401(k), 403(b), most 457 plans, and the federal government's Thrift Savings Plan contribution limit increases to \$23,000. The catch-up contribution limit for employees aged 50 and over remains at \$7,500.
- The SIMPLE retirement accounts contribution limit increases to \$16,000.
- The IRA contribution limit increases to \$7,500. The additional catch-up contribution limit for individuals aged 50 and over is not subject to an annual cost-of-living adjustment and remains \$1,000.

Plan Limits for Plan Year	2024	2023	2022	2021
401(k), 403(b), 457 Elective Deferral Limit	\$23,000	\$22,500	\$20,500	\$19,500
Catch-Up Contribution Limit (401(k), 403(b), 457, and SARSEPS)	\$7,500	\$7,500	\$6,500	\$6,500
Annual Compensation Limit	\$345,000	\$330,000	\$305,000	\$290,000
Defined Contribution Limit	\$69,000	\$66,000	\$61,000	\$58,000
Defined Benefit Limit	\$275,000	\$265,000	\$245,000	\$230,000
Definition of Highly Compensated Employee	\$155,000	\$150,000	\$135,000	\$130,000
Key Employee	\$220,000	\$215,000	\$200,000	\$185,000
SIMPLE Employee Deferrals	\$16,000	\$15,500	\$14,000	\$13,500
SIMPLE Catch-Up Deferrals	\$3,500	\$3,500	\$3,000	\$3,000
SEP Minimum Compensation	\$750	\$750	\$650	\$650
SEP Annual Compensation Limit	\$345,000	\$330,000	\$305,000	\$290,000
IRA Contribution Limit	\$7,000	\$6,500	\$6,000	\$6,000
IRA Catch-Up Contributions	\$1,000	\$1,000	\$1,000	\$1,000
Social Security Wage Base	\$168,600	\$160,200	\$147,000	\$142,800

Source: IRS Notice 2023-75: <https://www.irs.gov/pub/irs-drop/n-23-75.pdf>