



# 2024 RETIREMENT PLAN LIMITS

## OVERVIEW

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 \$7,500.
- The SIMPLE retirement accounts contribution limit increases to \$16,000.
- The IRA contribution limit increases to \$7,000. 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.

## COST-OF-LIVING ADJUSTED LIMITS FOR 2024

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

Source: IRS Notice 2023-57: <https://www.irs.gov/pub/irs-drop/n-23-75.pdf>