

The 2024 IRS Contribution Limits and Benefits

Effective January 1, 2024, the IRS is implementing some retirement contribution and benefits updates. There are a few key changes this year, and we want to share some highlights for your benefit.

The retirement limits that have changed include:

- The elective deferral limit for participants in 401(k) and 403(b) plans will increase to \$23,000.
- The deferral limit for 457(b) plans of state and local governments and tax-exempt organizations will increase to \$23,000.
- An IRA contributor who is not covered by a workplace retirement plan but is married to someone who will have the deduction phased out if their combined income is between \$230,000 and \$240,000.
- The AGI phase-out range for married couples filing jointly making Roth IRA contributions is now \$230,000 to \$240,000, and \$146,000 to \$161,000 for singles and heads of households.
- The AGI limit for the Saver's Credit is \$76,500 for married couples filing jointly, \$57,375 for heads of households, and \$38,250 for married couples filing separately and singles.
- The limitation for defined contribution plans increased to \$69,000.
- The dollar amount for determining the maximum account balance in an employee stock ownership plan subject to a five-year distribution period increased to \$1,380,000. The amount that determines the lengthening the five-year distribution period increased to \$275,000.

The changes regarding compensation and cost-of-living limits include:

- The annual compensation limit increased to \$345,000.
- The annual compensation limit for eligible government participants increased to \$505,000.
- The compensation amount for simplified employee pensions (SEPs) remains unchanged at \$750.
- The dollar amount for determining the maximum account balance in an employee stock ownership plan subject to a 5-year distribution period is increased to \$1,380,000.
- The threshold to determine whether a multiemployer plan is systemically important increased to \$1,369,000,000.
- The adjusted gross income limitation for determining the retirement savings contributions credit for all taxpayers increased to \$23,000.

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- The deduction for taxpayers making contributions to a traditional IRA is phased out for singles and heads of households who are active participants in a qualified plan and have adjusted gross incomes between \$77,000 and \$87,000, increased from last year.
- The adjusted gross income limitation for determining the maximum Roth IRA contribution for married taxpayers filing joint return or for taxpayers filing as a widower increased to \$230,000.
- The adjusted gross income phase-out range for taxpayers making contributions to a Roth IRA is increased to \$230,000 to \$240,000 for married couples filing jointly.

For a comprehensive list of all limits for 2024, please visit <https://www.irs.gov/pub/irs-drop/n-23-75.pdf>.

Contribution Limits	2022	2023	2024
Elective Deferral Limit: 401(k), 403(b), 457(b) Plans	\$20,500	\$22,500	\$23,000
Catch-Up Contribution Limit	\$6,500	\$7,500	\$7,500
Elective Deferral Limit: SIMPLE Retirement Plan	\$14,000	\$15,500	\$16,000
Catch-Up Contribution Limit: SIMPLE Retirement Plan	\$3,000	\$3,500	\$3,500
Contribution Limit: IRA	\$6,000	\$6,500	\$7,000
Catch-Up Contribution Limit: IRA	\$1,000	\$1,000	\$1,000

Benefits and Compensation

Defined Contribution Plan Annual Addition Limit	\$61,000	\$66,000	\$69,000
Defined Benefit Plan Annual Benefit Limit	\$245,000	\$265,000	\$275,000
Annual Compensation Limit	\$305,000	\$330,000	\$345,000
Highly Compensated Employee Limit	\$135,000	\$150,000	\$155,000
Key Employee Compensation Limit	\$200,000	\$215,000	\$220,000

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Social Security/Medicare

Social Security Wage Base	\$147,000	\$160,200	\$168,600
Medicare Wage Base	No Limit	No Limit	No Limit

Health Savings Accounts

Individual HSA Contribution Limit	\$3,650	\$3,850	\$4,150
Family HSA Contribution Limit	\$7,300	\$7,750	\$8,300

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