

BenefitsBCLP

## IRS RELEASES 2024 ADJUSTED QUALIFIED PLAN LIMITATIONS

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*This insight was authored by Julie Wagner.*

The Internal Revenue Service released the cost-of-living adjusted qualified retirement plan and welfare plan limitations effective January 1, 2024. For ease of reference and comparison to prior years, we have placed the adjusted limitations in the table below. For more information, refer to IRS Notice 2023-75, Rev. Proc. 2023-23, Rev. Proc. 2023-34, and the Social Security Administration’s 2024 Cost-of-Living Adjustment Fact Sheet.

Type of Limitation	2024	2023	2022	2021	2020
Elective Deferrals (401(k), 403(b), 457(b)(2) and 457(c)(1))	\$23,000	\$22,500	\$20,500	\$19,500	\$19,500
Section 414(v) Catch-Up Deferrals to 401(k), 403(b), 457(b), or SARSEP Plans (457(b)(3) and 402(g) provide separate catch-up rules)	\$7,500	\$7,500	\$6,500	\$6,500	\$6,500
SIMPLE Salary Deferral	\$16,000	\$15,500	\$14,000	\$13,500	\$13,500

SIMPLE 401(k) or regular SIMPLE plans, Catch-Up Deferrals	\$3,500	\$3,500	\$3,000	\$3,000	\$3,000
415 limit for Defined Benefit Plans	\$275,000	\$265,000	\$245,000	\$230,000	\$230,000
415 limit for Defined Contribution Plans	\$69,000	\$66,000	\$61,000	\$58,000	\$57,000
Annual Compensation Limit	\$345,000	\$330,000	\$305,000	\$290,000	\$285,000
Highly Compensated Employee 414(q)(1)(B)	\$155,000	\$150,000	\$135,000	\$130,000	\$130,000
Key employee in top heavy plan (officer)	\$220,000	\$215,000	\$200,000	\$185,000	\$185,000
Annual Compensation Limit for Grandfathered Participants in Governmental Plans Which Followed 401(a) (17) Limits (With Indexing) on July 1, 1993	\$505,000	\$490,000	\$450,000	\$430,000	\$425,000
ESOP Maximum balance	\$1,380,000	\$1,330,000	\$1,230,000	\$1,165,000	\$1,150,000
Amount for	\$275,000	\$265,000	\$245,000	\$230,000	\$230,000

Lengthening of 5-Year ESOP Period					
Taxable Wage Base	\$168,600	\$160,200	\$147,000	\$142,800	\$137,700
IRAs for individuals 49 and below	\$7,000	\$6,500	\$6,000	\$6,000	\$6,000
IRAs for individuals 50 and above	\$8,000	\$7,500	\$7,000	\$7,000	\$7,000
FICA Tax for employees and employers	7.65%	7.65%	7.65%	7.65%	7.65%
Social Security	6.2%	6.2%	6.2%	6.2%	6.2%
Medicare	1.45%	1.45%	1.45%	1.45%	1.45%
Health Savings Account Limit (plus additional \$1,000 catch-up contribution)	\$4,150/single \$8,300/family	\$3,850/single \$7,750/family	\$3,650/single \$7,300/family	\$3,600/single \$7,200/family	\$3,550/single \$7,100/family
Health Flexible Spending Account Limit	\$3,200	\$3,050	\$2,850	\$2,750	\$2,750
Health Flexible Spending Account Optional Carryover Limit <sup>[1]</sup>	\$640	\$610	\$570	\$550	\$550
Dependent Care Flexible Spending	\$5,000 (\$2,500)	\$5,000 (\$2,500)	\$5,000 (\$2,500)	\$5,000 (\$2,500)	\$5,000 (\$2,500)

Account Limit (subject to earned income limits)[2]	married filing separately)	married filing separately)	married filing separately)	married filing separately)	married filing separately)
Additional Medicare Tax Withholding	.9% of comp >\$200,000	.9% of comp >\$200,000	.9% of comp >\$200,000	.9% of comp >\$200,000	.9% of comp >\$200,000

[1] See IRS Notice 2021-15 for special rules for plan years ending in 2020 and 2021.

[2] See IRS Notice 2021-26 for special rules for 2021.

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