

## IRS Benefit Plan Limits for 2024

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On November 1, 2023, the Internal Revenue Service release [Notice 2023-75](#), announcing cost-of-living adjustments that affect contribution limits for retirement plans and retirement accounts in 2024. The table below, though not exhaustive, highlights key changes that retirement plan sponsors should be aware of, as well as several limitations that remain unchanged.

Limit	Key Changes
Elective deferral limit	Increase of \$500 to \$23,000
Catch-up contribution limit for employees ages 50 and older	No change
Aggregate contribution limit for defined contribution plans	Increase from \$66,000 to \$69,000
Annual compensation limit	Increase from \$330,000 to \$345,000
Limitation on the annual benefit under a defined benefit <sup>1</sup>	Increase from \$265,000 to \$275,000
Dollar limit used in the definition of “key employee” in a top-heavy retirement plan	Increase from \$215,000 to \$220,000
Dollar limit used in the definition of “highly compensated employee”	Increase from \$150,000 to \$155,000

<sup>1</sup> For a participant who separated from service before January 1, 2023, the limitation for defined benefit plans under Section 415(b)(1)(B) can be computed by multiplying the participant’s compensation limitation, as adjusted through 2022, by 1.0833.

The following table displays key limits for 2023 and 2024 from the IRS:

401(k) Plan Limits for Plan Year	2023 Limit	2024 Limit
401(k) elective deferral limit <sup>1</sup>	\$22,500	\$23,000
Catch-up contribution <sup>2</sup>	\$7,500	\$7,500
Total defined contribution dollar limit (individuals under 50)	\$66,000	\$69,000
Total defined contribution dollar limit (individuals 50 and older)	\$73,500	\$76,500
401(a) compensation limit <sup>3</sup>	\$330,000	\$345,000
Highly compensated employee income limit	\$150,000	\$155,000
Key employee limit	\$215,000	\$220,000
<b>Non-401(k) Limits</b>		
403(b) elective deferral limit <sup>1</sup>	\$22,500	\$23,000
Annual benefit under defined benefit plan [415(b)(1)(A)]	\$265,000	\$275,000
457 employee deferral limit	\$22,500	\$23,000

<sup>1</sup> Employee deferrals to all 401(k) SIMPLE IRAs and 403(b) plans must be aggregated for purposes of this limit.

<sup>2</sup> Contributors must be age 50 or older during the calendar year.

<sup>3</sup> 401(a) compensation limit, the amount of earned income that can be used to calculate retirement account contributions. All compensation from a single employer (including all members of a controlled group) must be aggregated for purposes of this limit.

SEP-IRA and SIMPLE IRA Limits		
SEP contribution limit	\$66,000	\$69,000
SEP minimum compensation	\$750	\$750
SEP maximum compensation	\$330,000	\$340,000
SIMPLE contribution limit	\$15,500	\$16,000
SIMPLE catch-up contribution <sup>2</sup>	\$3,500	\$3,500
IRA and Roth Limits		
Traditional IRA and Roth IRA contribution limit	\$6,500	\$7,000
Catch-up contribution <sup>2</sup>	\$1,000	\$1,000

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