

2024 Cost of Living Adjustments Announced

The cost of living dollar amounts for retirement plans, health account solutions, and the taxable wage base have been published for 2024, and are outlined in this document for ease of reference.

On November 1, 2023, the Internal Revenue Service issued Notice 2023-75, providing the cost of living dollar limits for retirement plans:

<u>LIMIT</u>	<u>2024</u>	<u>2023</u>
Defined Benefit Plan		
The lesser of the maximum dollar limitation for annual benefits under defined benefit plans under Internal Revenue Code (IRC) Section 415(b)(1)(A) or 100% of the participant's average compensation for his high 3 years.	\$275,000	\$265,000
Defined Contribution Plan 415 Dollar Limit		
The lesser of the dollar limitation for annual additions under defined contribution plans under IRC Section 415(c)(1)(A) or 100% of compensation.	\$69,000	\$66,000
401(k)/403(b)/Existing SARSEP Elective Deferral Limit		
All elective deferrals (including designated Roth contributions) in a tax year made by a participant to 401(k), 403(b) tax deferred annuity, simplified employee pension, and SIMPLE retirement plans are aggregated under IRC Section 402(g).	\$23,000	\$22,500
457 Deferral Limit		
The lesser of the limitation on vested contributions to 457 plans under IRC Section 457(e)(15) or 100% of includible compensation.	\$23,000	\$22,500
403(b) Limit, Including 15 Years of Service Catch-up		
The maximum available 402(g) elective deferral limit plus the special catch-up election for employees participating in a 403(b) tax deferred annuity who have had at least 15 years of service with an educational organization, hospital, home health agency, health and welfare service agency, church or convention or association of churches.	\$26,000	\$25,500

Note: The additional 403(b) special catch-up of up to \$3,000 per year cannot exceed cumulatively \$15,000 over the lifetime of the 403(b) participant.

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LIMIT**2024****2023****Special 457 Catch-up Limit**

The special catch-up election for employees participating in an eligible 457 deferred compensation plan who have elected the special catch-up available in the three years prior to the year of normal retirement age. The annual additional amount available under a Special 457 Catch-up for an eligible participant is the lesser of (1) twice the current deferral limit, or (2) the sum of the current deferral limit plus the underutilized amount from prior years.

\$46,000

\$45,000

Note: The participant in a governmental 457(b) plan may make catch-up contributions in a year equal to the greater of (1) the amount permitted under the Age 50+ Catch-up, or (2) the amount permitted under the Special 457 Catch-up.

Age 50+ Catch-up Limits (401(k), 403(b), and Governmental 457(b) Plans)

The special catch-up available under IRC Section 414(v) for individuals at least 50 years old in 2024 and make eligible pre-tax (and/or designated Roth) contributions to 401(k), 403(b), and governmental 457 plans.

\$7,500

\$7,500

***Important note with respect to participants who reached a threshold of 3121(a) wages in the prior year (2023) by the employer sponsoring a 401(k), 403(b), or governmental 457(b) plan (the "Wage Threshold"):** SECURE 2.0 requires that Age 50+ catch-ups made by participants that have met the Wage Threshold can be made only as Roth contributions in the current year. The IRS announced that it will delay the enforcement of this requirement for Age 50+ contributions made prior to 2026.

N/A

N/A

IRA Annual Contribution Limit

Total annual contributions may be made by an individual, aggregating all traditional and Roth IRAs they own.

\$7,000

\$6,500

Note: Federal individual income tax filing status and adjusted gross income determine the deductibility of annual contributions to a traditional IRA and eligibility to contribute to a Roth IRA.

Age 50+ Catch-up Limit (IRAs)

The special catch-up available under IRC Section 219(b) for individuals at least 50 years old.

\$1,000

\$1,000

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LIMIT**2024****2023****Definition of Key Employee**

The compensation threshold used for determining key employees under IRC Section 416(i)(1)(A)(i).

\$220,000

\$215,000

Definition of Highly Compensated Employees

The compensation threshold used for determining highly compensated employees under IRC Section 414(q)(1)(B).

\$155,000

\$150,000

Compensation Limit

The annual limit of compensation that may be taken into account for contribution purposes in accordance with IRC Section 401(a)(17).

\$345,000

\$330,000

The annual limit of compensation that may be taken into account for contribution purposes in accordance with IRC Section 401(a)(17) (certain governmental plan participants who first became participants in that governmental plan before the 1996 plan year).

\$505,000

\$490,000

Adjusted Gross Income Limit for Saver's Credit

The highest adjusted gross income (based on federal income tax filing status) taken into account for eligibility for the Saver's Credit under IRC Section 25B.

\$76,500 (joint)

\$73,000 (joint)

\$38,250 (single)

\$36,500 (single)

\$57,375 (head of household)

\$54,750 (head of household)

SIMPLE Retirement Accounts

Annual contribution limit for employee deferrals to a SIMPLE retirement plan described in IRC Section 408(p)(2) or 401(k)(11).

\$16,000

\$15,500

SIMPLE Retirement Accounts (continued)

The special catch-up is available for individuals who are at least 50 years old in 2024 and make eligible pre-tax contributions to a SIMPLE plan described in IRC Section 408(p)(2) or 401(k)(11).

\$3,500

\$3,500

Compensation for SEPs

Compensation taken into account to determine eligibility for simplified employee pensions (SEPs).

\$750

\$750

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The following are the cost of living dollar limits for health account solutions, based on Revenue Procedure 2023-23, released on May 16, 2023, and Revenue Procedure 2023-34, released on November 9, 2023:

<u>LIMIT</u>	<u>2024</u>	<u>2023</u>
Health Spending Account (HSA) Contribution Limit		
The annual dollar limit on deductions under IRC Section 223(b)(2) under a high deductible health plan.	\$4,150 (self-only coverage) \$8,300 (family coverage)	\$3,850 (self-only coverage) \$7,750 (family coverage)
HSA Contribution Limit Including Age 55+ Catch-up		
The maximum annual HSA contribution limit plus the \$1,000 catch-up under IRC Section 223(b)(3) for individuals at least 55 years old.	\$5,150 (self-only coverage) \$9,300 (family coverage)	\$4,850 (self-only coverage) \$8,750 (family coverage)
Definition of High Deductible Health Plan		
The annual minimum deductible of a high deductible health plan as defined under IRC Section 223(c)(2)(A).	\$1,600 (self-only coverage) \$3,200 (family coverage)	\$1,500 (self-only coverage) \$3,000 (family coverage)
Maximum Out-of-Pocket Expenses for a High Deductible Health Plan		
The maximum annual out-of-pocket expenses (deductibles, co-payments, and other amounts, but not premiums).	\$8,050 (self-only coverage) \$16,100 (family coverage)	\$7,500 (self-only coverage) \$15,000 (family coverage)
Flexible Spending Accounts (FSAs)		
The maximum annual dollar limit under IRC Section 125(i) for employee pre-tax contributions to a health FSA.	\$3,200	\$3,050
The maximum annual dollar limit under IRC Section 125(i) for employee pre-tax contributions to a limited purpose FSA for medical expenses not covered by insurance.	\$3,200	\$3,050
The maximum annual dollar limit (not subject to annual cost of living adjustments) under IRC Section 129(a) for employee pre-tax contributions to a dependent care FSA.	\$2,500 (married filing separately) \$5,000 (all other tax filers)	\$2,500 (married filing separately) \$5,000 (all other tax filers)

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LIMIT

2024

2023

Commuter Benefit Spending Accounts

The monthly dollar contribution limit under IRC Section 132(f)(2)(A) for transportation in a commuter highway vehicle or mass transit pass.

\$315

\$300

The monthly dollar contribution limit under IRC Section 132(f)(2)(B) for qualified parking.

\$315

\$300

On October 12, 2023, the Social Security Administration released its cost of living information for 2024:

Taxable Wage Base

2024

2023

Maximum amount of earnings subject to payroll tax.

\$168,600

\$160,200

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