

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 ¹ | 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 |

¹ 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 ¹ | \$22,500 | \$23,000 |
| Catch-up contribution ² | \$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 ³ | \$330,000 | \$345,000 |
| Highly compensated employee income limit | \$150,000 | \$155,000 |
| Key employee limit | \$215,000 | \$220,000 |
| Non-401(k) Limits | | |
| 403(b) elective deferral limit ¹ | \$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 |

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

² Contributors must be age 50 or older during the calendar year.

³ 401(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 ² | \$3,500 | \$3,500 |
| IRA and Roth Limits | | |
| Traditional IRA and Roth IRA contribution limit | \$6,500 | \$7,000 |
| Catch-up contribution ² | \$1,000 | \$1,000 |

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