

REGULATORY UPDATE

November 2, 2023

IRS ANNOUNCES RETIREMENT PLAN LIMITS FOR 2024

The Internal Revenue Service (IRS) announced cost of living adjustments (COLAs) affecting dollar limitations for retirement plans and other retirement-related items for Tax Year 2024.

For the 2024 year there will be an increase in most of the key retirement plan limits. While there was a \$500 increase to the deferral limit, the Catch-Up limit did not change. The overall DC contribution limit increased by \$3,000 to \$69,000. There was also an increase to the Highly Compensated threshold, and the Annual Compensation Limit.

It is important that you ensure your payroll system is updated to reflect these new limits starting January 1, 2024. If you have any questions about these changes, please contact our office.

| Contribution/Benefit Limits | 2024 | 2023 |
|---|------------------|-------------|
| Elective Deferrals [401(k), 403(b) & 457 plans] | \$23,000 | \$22,500 |
| Catch-Up Contribution | \$7,500 | \$7,500 |
| Annual Contribution Limit | \$69,000 | \$66,000 |
| Highly Compensated Threshold | \$155,000 | \$150,000 |
| Annual Compensation Limit | \$345,000 | \$330,000 |
| DB Plan Annual Benefit Limit | \$275,000 | \$265,000 |
| Key Employee Compensation | \$220,000 | \$215,000 |
| Simple Employee Deferral | \$16,000 | \$15,500 |
| Simple Catch-Up Contribution | \$3,500 | \$3,500 |

As published by the Internal Revenue Service.

For full details on the pension plan limitations for 2024 click [here](#).

For more information contact our team @ 407.585.1160.