

Retirement and Health & Welfare Plan Contribution and Benefit Limits Announced for 2024

NOVEMBER 2, 2023

RETIREMENT PLANS:

The IRS recently released [Notice 2023-75](#) to announce cost-of-living adjustments to the indexed dollar limits applicable to retirement plans. Increases are more moderate than in recent years, with the limit on catch-up contributions remaining the same from 2023 to 2024. The chart below shows how the new limits compare to those for 2023.

TYPE OF LIMIT	2024	2023
Defined Benefit Annual Benefit	\$275,000	\$265,000
Defined Contribution Annual Contribution	\$69,000	\$66,000
401(k)/403(b) Elective Deferrals	\$23,000	\$22,500
Catch-Up Contributions	No change	\$7,500
Annual Compensation	\$345,000	\$330,000
“Key Employee” for Top-Heavy Plan	\$220,000	\$215,000

TYPE OF LIMIT	2024	2023
“Highly Compensated Employee”**	\$155,000	\$150,000
Social Security Wage Base	\$168,600	\$160,200

Notice 2023-75 also includes changes to other limits, including increases that apply to employee stock ownership plans, governmental plans, IRAs, and multiemployer plans, which are not reflected in the chart above.

HEALTH & WELFARE PLANS:

The IRS has also released [Rev. Proc. 2023-23](#), which provides the inflation-adjusted limits related to health savings accounts (HSAs) and high deductible health plans (HDHPs) for the 2024 calendar year. The chart below compares the 2024 and 2023 limits.

TYPE OF LIMIT	2024	2023
HSA Annual Contribution Limit	\$4,150 (self only) \$8,300 (family)	\$3,850 (self only) \$7,750 (family)
HSA Catch-Up	No change	\$1,000
HDHP Minimum Annual Deductible	\$1,600 (self only) \$3,200 (family)	\$1,500 (self only) \$3,000 (family)
HDHP Annual Out-of-Pocket Max	\$8,050 (self only) \$16,100 (family)	\$7,500 (self only) \$15,000 (family)
Health Care FSA Annual Max Contribution **	TBD	\$3,050
Health Care FSA Carryover Limit*	TBD	\$610
Dependent Care FSA Annual Max Contribution	No change	\$5,000 (married or single employee) \$2,500 (married, filing separately)

TYPE OF LIMIT	2024	2023
Qualified Transportation Fringe Benefit & Qualified Parking (monthly limit)*	TBD	\$300

Winston Takeaway: Plan sponsors should ensure the increased dollar limits are appropriately reflected in their payroll and plan administration programs for 2024 and included in annual and other required communications to plan participants.

Grace Vorbrich, Law Clerk, co-authored this blog post.

* Whether an employee is a “highly compensated employee” in a given year is based on the employee’s compensation earned during, and using the limit applicable for, the preceding year, so an individual will be a highly compensated employee in 2025 if he or she earns \$155,000 in 2024.

** New limits for 2024 are yet to be announced.

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