

Retirement plan contribution and dollar limits

| For tax years | 2023 | 2024 |
|---|-----------|------------------|
| 401(k), 403(b), 457(b) Employee Elective Contribution Limit (before age 50) ^{1, 2, 3} | \$22,500 | \$23,000 |
| 401(k), 403(b), Governmental 457(b) Age 50 or over Catch-up Contribution Limit ^{2, 4} | \$7,500 | \$7,500 |
| 401(k), 403(b) Combined Employer and Employee Contribution Limit | \$66,000 | \$69,000 |
| 403(b) 15 Years of Service Catch-up Contribution ⁵ | \$3,000 | \$3,000 |
| SIMPLE IRA and SIMPLE 401(k) Employee Elective Contribution Limit (before age 50) ² | \$15,500 | \$16,000 |
| SIMPLE IRA and SIMPLE 401(k) Catch-up Contribution Limit (age 50+) ² | \$3,500 | \$3,500 |
| SEP IRA Minimum Compensation Limit (determining eligible employees) | \$750 | \$750 |
| SEP IRA, Solo 401(k), and 403(b) Annual Compensation Limit (exception for grandfathered governmental plans) | \$330,000 | \$340,000 |
| SEP IRA and Solo 401(k) Employer Contribution Limit ⁶ | \$66,000 | \$69,000 |
| Traditional and Roth IRA Contribution Limit (before age 50) ⁷ | \$6,500 | \$7,000 |
| Traditional and Roth IRA Catch-up Contribution Limit (age 50+) | \$1,000 | \$1,000 |
| Defined Benefit Overall Limit | \$265,000 | \$275,000 |
| Highly Compensated Employee Threshold | \$150,000 | \$155,000 |
| Qualified Plan Compensation Limit | \$330,000 | \$345,000 |
| Key Employee Income Threshold | \$215,000 | \$220,000 |
| Social Security Taxable Wage Base | \$160,200 | \$168,600 |

1. Annual contribution limit is lesser of amount shown or 100% of employee's compensation.

2. These limits are coordinated with elective contributions to other 403(b), SIMPLE, 401(k), and grandfathered salary reduction SEP plans.

3. Elective 401(k) plan contributions of highly compensated employees also may be limited by the average deferral percentage test.

4. For 457(b) plans, catch-up contributions are available in 457(b) Governmental plans (deferred compensation agreement for any state, political subdivision of a state and their agencies and instrumentalities) and tax exempt 457(b) plans. 457(b) plans permit a final 3-year catch-up if the plan document permits.

5. Available for an employee with 15 years of continuous service with the same qualified employer, regardless of age, who has not contributed more than \$5,000 per year into a 403(b) account or any other elective deferral plan of the employer, up to a lifetime maximum of \$15,000. May be combined with the age 50 plus catch-up contribution.

6. Annual employer contribution limit is lesser of amount shown or 25% of employee's includable compensation.

7. For 2024, the modified Adjusted Gross Income (AGI) range for the phase-out of the tax deduction of traditional IRA contributions has increased to \$77,000 to \$87,000 for single and head of household filers who are covered by a workplace retirement plan, has increased to \$123,000 to \$143,000 for married couple filing jointly where the spouse making the IRA contribution is covered by a workplace plan, and has increased to \$230,000 to \$240,000 for an IRA contributor who is not covered by a workplace plan and is married to someone who is covered. The AGI phase-out range for individuals making contributions to a Roth IRA has increased to \$230,000 to \$240,000 for married couples filing jointly and to \$146,000 to \$161,000 for single and head of household filers. For married individuals filing a separate return and covered by workplace retirement plan, the phase-out range remains \$0 to \$10,000. There are no income limits for a traditional IRA to a Roth IRA conversion.

This communication is not intended to be tax, legal, or accounting advice. Issues could exist that can affect the tax treatment of a transaction. Therefore, taxpayers should seek advice from an independent tax, legal, or accounting advisor before acting on any information presented. This information cannot be used to avoid tax penalties.



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