

2024 COST-OF-LIVING ADJUSTMENTS (COLAS)



The IRS has announced the 2024 cost-of-living adjustments (COLAs), which impact retirement plans for more than 71 million Americans. These taxpayers will see a 3.2% bump in monthly Social Security benefits and supplemental security income payments in 2024, which on average, increases benefits by more than \$50 per month beginning in January.

The 2024 Social Security Wage Base will increase to \$168,600, which reflects a \$8,400 increase from 2022. We've compiled a side-by-side comparison of the dollar limitations for benefits and contributions for the past three years. Many of these have minimal to no change from 2023. Contact your [BMF Advisor](#) if you have questions on these dollar limitations or to discuss your tax planning strategy.

Read more about the [Social Security Cost-of-Living adjustment for 2024](#).

2024 2023 2022

401(k), 403(b), 457 Contributions

Elective Deferrals	\$ 23,000	\$ 22,500	\$ 20,500
Catch-Up Contributions	7,500	7,500	6,500

IRAs

IRA Contributions	7,000	6,500	6,000
IRA Catch-Up Contributions	1,000	1,000	1,000

SIMPLE Plan

Elective Deferrals	16,000	15,500	14,000
Catch-Up Contributions	3,500	3,500	3,000

Simplified Employee Pensions (SEPs)

Minimum Compensation 408(k)(2)(c)	750	750	650
Maximum Compensation 408(k)(3)(c)	345,000	330,000	305,000
Maximum Contribution	69,000	66,000	61,000

401(k), 403(b), 457 Plans

Annual Compensation 401(a)(17)/404(l)	345,000	330,000	305,000
Defined Contribution Limits 415(c)(1)(A)	69,000	66,000	61,000

ESOP Limit 409(o)(1)(c) - account balance	1,380,000	1,330,000	1,230,000
ESOP Limit 409(o)(1)(c) - lengthening 5-year period	275,000	265,000	245,000

Miscellaneous

Highly Compensated Employee	155,000	150,000	135,000
Defined Benefit Annual Limit	275,000	265,000	245,000
Key Employee Compensation	220,000	215,000	200,000
Social Security Taxable Wage Base	168,600	160,200	147,000