

# 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