

EMPLOYMENT & BENEFITS

ANNUAL LIMITATIONS

Effective as of January 1, 2024

| LIMIT | 2024 | | 2023 | | 2022 | |
|--|---|--|---|--|---|--|
| Elective Deferrals IRC Section: 402(g)(1); 457(e)(15); 408(p)(2)(E) 401(k), 403(b), 457(b), and SEPs SIMPLE Plans | \$23,000 | \$16,000 | \$22,500 | \$15,500 | \$20,500 | \$14,000 |
| Catch-up Contributions (age 50 and older) IRC Section: 414(v)(2)(B)(i) & (ii) 401(k), 403(b), Governmental 457(b), and SEPs SIMPLE Plans | \$7,500 \$3,500 | | \$7,500 \$3,500 | | \$6,500 \$3,000 | |
| Annual Compensation Limit IRC Section: 401(a)(17); 404(l) General Limit Certain Governmental Plans | \$345,000 \$505,000 | | \$330,000 \$490,000 | | \$305,000 \$450,000 | |
| Limitations on Benefits and Contributions IRC Section: 415(b)(1)(A); 415(c)(1)(A) Defined Contribution Plans Defined Benefit Plans | \$69,000 \$275,000 | | \$66,000 \$265,000 | | \$61,000 \$245,000 | |
| "Highly Compensated Employee" Definition IRC Section: 414(q)(1)(B) | \$155,000 | | \$150,000 | | \$135,000 | |
| "Key Employee" / "Officer" Definition for Top-Heavy Plans IRC Section: 416(i)(1)(A)(i) | \$220,000 | | \$215,000 | | \$200,000 | |
| PBGC Guaranteed Annual Benefit (single life annuity payable at age 65; rounded) | \$85,295 | | \$81,000 | | \$74,455 | |
| SEP Coverage IRC Section: 408(k)(2)(C); 408(k)(3)(C) Minimum Compensation Maximum Compensation | \$750 \$345,000 | | \$750 \$330,000 | | \$650 \$305,000 | |
| Health Savings Accounts (HSAs) Maximum Annual Contributions Minimum Deductible Maximum Out-of-Pocket | Single \$4,150 \$1,600 \$8,050 | Family \$8,300 \$3,200 \$16,100 | Single \$3,850 \$1,500 \$7,500 | Family \$7,750 \$3,000 \$15,000 | Single \$3,650 \$1,400 \$7,050 | Family \$7,300 \$2,800 \$14,100 |
| Qualified Small Employer Health Reimbursement Arrangements (QSEHRAs) Maximum Annual Reimbursements | Single \$6,150 | Family \$12,450 | Single \$5,850 | Family \$11,800 | Single \$5,450 | Family \$11,050 |
| Excepted Benefit Health Reimbursement Arrangements* Maximum Annual Reimbursements | \$2,100 | | \$1,950 | | \$1,800 | |

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|--|--|--|--|
| Health Care Flexible Spending Account Maximum Salary Reduction Contributions | \$3,200 per employee per unrelated employer | \$3,050 per employee per unrelated employer | \$2,850 per employee per unrelated employer |
| Dependent Care Assistance Maximum | \$5,000 \$2,500 (married filing separately) | \$5,000 \$2,500 (married filing separately) | \$5,000 \$2,500 (married filing separately) |
| Qualified Transportation Fringe (Monthly) | | | |
| Parking | \$315 | \$300 | \$280 |
| Mass Transit Pass/Vanpool | \$315 | \$300 | \$280 |
| Adoption Assistance Programs | | | |
| Maximum Exclusion per Child | \$16,810 | \$15,950 | \$14,890 |
| Phase-Out Floor | \$252,150 | \$239,230 | \$223,410 |
| Phase-Out Ceiling | \$292,150 | \$279,230 | \$263,410 |
| Long-Term Care Deductible Premiums | | | |
| Age 40 and younger | \$470 | \$480 | \$450 |
| Age 41 to 50 | \$880 | \$890 | \$850 |
| Age 51 to 60 | \$1,760 | \$1,790 | \$1,690 |
| Age 61 to 70 | \$4,710 | \$4,770 | \$4,510 |
| Over age 70 | \$5,880 | \$5,960 | \$5,640 |
| Total FICA Tax (Combined OASDI and HI Portions) | | | |
| Employers | 7.65% | 7.65% | 7.65% |
| Employees | 7.65%** | 7.65%** | 7.65%** |
| FICA Taxes (HI Portion) | | | |
| Employees and Employers, each | 1.45%** | 1.45%** | 1.45%** |
| Wage Base | All Wages | All Wages | All Wages |
| Social Security Tax (OASDI Portion) | | | |
| Employers | 6.2% | 6.2% | 6.2% |
| Employees | 6.2% | 6.2% | 6.2% |
| Wage Base | \$168,600 | \$160,200 | \$147,000 |

*Pursuant to final rules issued June 20, 2019 (84 Fed. Reg. 28888), effective January 1, 2020, an Excepted Benefit HRA can be used to reimburse the costs of certain §213(d) medical expenses for eligible employees. See also Revenue Procedure 2020-43.

**Higher-income employees will be subject to an additional 0.9% Medicare tax on wages in excess of threshold amounts based on filing status as listed in the table below. Employers are required to withhold the 0.9% Medicare tax on wages paid to an employee in excess of \$200,000 without regard to filing status.

| FILING STATUS | THRESHOLD AMOUNT |
|--|------------------|
| Married filing jointly | \$250,000 |
| Married filing separately | \$125,000 |
| Single; Head of Household (with qualifying person); or Qualifying widow(er) with dependent child | \$200,000 |

For more information on the application of these limitations, please contact any of the following members of our Benefits practice:

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