




401(k) limit increases to \$23,000 for 2024, IRA limit rises to \$7,000

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WASHINGTON — The Internal Revenue Service announced today that the amount individuals can contribute to their 401(k) plans in 2024 has increased to \$23,000, up from \$22,500 for 2023.

The IRS today also issued technical guidance regarding all of the cost-of-living adjustments affecting dollar limitations for pension plans and other retirement-related items for tax year 2024 in [Notice 2023-75](#) .

Highlights of changes for 2024

The contribution limit for employees who participate in 401(k), 403(b), and most 457 plans, as well as the federal government's Thrift Savings Plan is increased to \$23,000, up from \$22,500.

The limit on annual contributions to an IRA increased to \$7,000, up from \$6,500. The IRA catch-up contribution limit for individuals aged 50 and over was amended under the SECURE 2.0 Act of 2022 (SECURE 2.0) to include an annual cost-of-living adjustment but remains \$1,000 for 2024.

The catch-up contribution limit for employees aged 50 and over who participate in 401(k), 403(b), and most 457 plans, as well as the federal government's Thrift Savings Plan remains \$7,500 for 2024. Therefore, participants in 401(k), 403(b), and most 457 plans, as well as the federal government's Thrift Savings Plan who are 50 and older can contribute up to \$30,500, starting in 2024. The catch-up contribution limit for employees 50 and over who participate in SIMPLE plans remains \$3,500 for 2024.

The income ranges for determining eligibility to make deductible contributions to traditional Individual Retirement Arrangements (IRAs), to contribute to Roth IRAs, and to claim the Saver's Credit all increased for 2024.

Taxpayers can deduct contributions to a traditional IRA if they meet certain conditions. If during the year either the taxpayer or the taxpayer's spouse was covered by a retirement plan at work, the deduction may be reduced, or phased out, until it is eliminated, depending on filing status and income. (If neither the taxpayer nor the spouse is covered by a retirement plan at work, the phase-outs of the deduction do not apply.) Here are the phase-out ranges for 2024:

- For single taxpayers covered by a workplace retirement plan, the phase-out range is increased to between \$77,000 and \$87,000, up from between \$73,000 and \$83,000.
- For married couples filing jointly, if the spouse making the IRA contribution is covered by a workplace retirement plan, the phase-out range is increased to between \$123,000 and \$143,000, up from between \$116,000 and \$136,000.
- For an IRA contributor who is not covered by a workplace retirement plan and is married to someone who is covered, the phase-out range is increased to between \$230,000 and \$240,000, up from between \$218,000 and \$228,000.
- For a married individual filing a separate return who is covered by a workplace retirement plan, the phase-out range is not subject to an annual cost-of-living adjustment and remains between \$0 and \$10,000.


The income phase-out range for taxpayers making contributions to a Roth IRA is increased to between \$146,000 and \$161,000 for singles and heads of household, up from between \$138,000 and \$153,000. For married couples filing jointly, the income phase-out range is increased to between \$230,000 and \$240,000, up from between \$218,000 and \$228,000. The phase-out range for a married individual filing a separate return who makes contributions to a Roth IRA is not subject to an annual cost-of-living adjustment and remains between \$0 and \$10,000.

The income limit for the Saver's Credit (also known as the Retirement Savings Contributions Credit) for low- and moderate-income workers is \$76,500 for married couples filing jointly, up from \$73,000; \$57,375 for heads of household, up from \$54,750; and \$38,250 for singles and married individuals filing separately, up from \$36,500.

The amount individuals can contribute to their SIMPLE retirement accounts is increased to \$16,000, up from \$15,500.

Additional changes made under SECURE 2.0 are as follows:

- The limitation on premiums paid with respect to a qualifying longevity annuity contract to \$200,000. For 2024, this limitation remains \$200,000.
- Added an adjustment to the deductible limit on charitable distributions. For 2024, this limitation is increased to \$105,000, up from \$100,000.
- Added a deductible limit for a one-time election to treat a distribution from an individual retirement account made directly by the trustee to a split-interest entity. For 2024, this limitation is increased to \$53,000, up from \$50,000.

Details on these and other retirement-related cost-of-living adjustments for 2024 are in [Notice 2023-75](#) , available on IRS.gov.