IRS Announces 2024 Retirement Plan Limits

The Internal Revenue Service (IRS) has released [Notice 2023-75](), containing cost-of-living adjustments for 2024 that affect amounts employees can contribute to 401(k) plans and individual retirement accounts (IRAs). The effective date of the 2024 retirement plan limits is Jan. 1, 2024.

2024 Increases

The employee contribution limit for 401(k) plans in 2024 has increased to $23,000, up from $22,500 for 2023. Other key limit increases include the following:

- The employee contribution limit for IRAs is increased to $7,000, up from $6,500.
- The IRA catch-up contribution limit for individuals aged 50 and over remains unchanged at $1,000 for 2024 (despite this limit now including an annual cost-of-living adjustment because of legislation enacted at the end of 2022, referred to as “SECURE 2.0”).
- The catch-up contribution limit for employees aged 50 and over who participate in 401(k), 403(b), most 457 plans and the federal government’s Thrift Savings Plan remains unchanged at $7,500. Therefore, participants in these plans who are 50 and older can contribute up to $30,500, starting in 2024.
- The employee contribution limit for SIMPLE IRAs and SIMPLE 401(k) plans is increased to $16,000, up from $15,500.
- The annual compensation limit (applicable to many retirement plans) is increased to $345,000, up from $330,000.

Additional limit changes relate to the definitions for “highly compensated employee” and “key employee,” and limits to profit-sharing and money purchase plans. The income ranges for determining eligibility to make deductible contributions to traditional IRAs, contribute to Roth IRAs and claim the Saver’s Credit also increased for 2023. The IRS’ [news release]() outlines the full limit changes and contains more details.

Contact us today for more resources.

Winter Attraction and Retention Tips

While some industries are busy due to holiday shopping and seasonal employment, recruiting often slows during the winter months—especially after the winter holidays. However, winter is also when many job candidates are setting goals and making plans for the coming year, which may include searching for new jobs and opportunities. Simultaneously, many employers struggle to keep employees engaged during the winter months. Employers may notice decreased workplace productivity and morale associated with the cold, dark weather and stress of the holidays and winter months.

Winter Attraction Tips

Employers can consider the following strategies to improve winter attraction:

- Launch an employee referral program
- Share organizational and employee successes on social media
- Schedule interviews while candidates have free time around the holidays
- Recruit college or university students who graduated during the fall semester or plan ahead to the spring
- Create a mobile-friendly application process

Winter Retention Tips

Employers can consider the following practices to boost employee retention during the winter months:

- Recognize and reward employees for good work and accomplishments
- Offer holiday bonuses and incentives
- Check in with employees on a personal and professional level
- Offer employees flexibility on days of severe winter weather

Conclusion

Employers that adopt a proactive approach during the winter months can combat employment challenges that might otherwise contribute to low morale, decreased productivity and high turnover rates. Contact us today for more workplace resources.