



2024 Index Figures

The following general summary is intended to educate employers and plan sponsors on the potential effects of recent government guidance on employee benefit plans. This summary is not and should not be construed as legal or tax advice. The government's guidance is complex and very fact specific. As always, we strongly encourage employers and plan sponsors to consult competent legal or benefits counsel for all guidance on how the actions apply in their circumstances.

On November 9, 2023, the Internal Revenue Service issued the 2024 annual inflation adjustments for many tax provisions of the IRS Code¹. These adjusted amounts will be used to prepare tax year 2024 returns in 2025. Also, on November 1, 2024, the IRS released the dollar limitations for qualified retirement plans for tax year 2024, including 401(k) plans.²

Indexed Compensation Levels

For highly compensated and Key Employee definitions:

	2024	2023
Highly Compensated Employee	\$155,000	\$150,000
Key Employee	\$220,000	\$215,000

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

	2024	2023
Maximum Employee Contribution	\$23,000	\$22,500
Maximum Catch-Up Allowed 50+	\$7,500	

Health Flexible Spending Account (FSA)³

	2024	2023
Annual Salary Reduction Limit	\$3,200	\$3,050

Dependent Care Assistance Program (DCAP)

Maximum DCAP Amount	2024	2023
Unless Married Filing Separately	\$5,000	
If Married Filing Separately	\$2,500	
Deemed Income of Spouse Incapable of Self-Care or Full-Time Student		
With 1 Qualifying Individual	\$250/month	
With 2 or More Qualifying Individuals	\$500/month	

There are adjustments to some of the general tax limits that are relevant to the federal income tax savings under a DCAP. These include the 2024 tax rate tables, earned income credit amounts, and standard deduction amounts. The child tax credit limits are also relevant when calculating the federal income tax savings from claiming the dependent care tax credit (DCTC) versus participating in a DCAP.

¹ <https://www.irs.gov/pub/irs-drop/rp-23-34.pdf>

² <https://www.ssa.gov/news/press/releases/2023/#10-2023-2>; <https://www.irs.gov/pub/irs-drop/n-23-75.pdf>

³ As a reminder, Healthcare FSAs that permit the carryover of unused amounts, the maximum carryover amount is increased to an amount equal to 20 percent of the maximum health FSA salary reduction contribution for that plan year (i.e., \$640 [= \$3,200 * .2]).

HealthEquity®

Commuter Accounts

	2024	2023
Parking – Monthly Limit	\$315	\$300
Transit and Vanpooling – Monthly Limit	\$315	\$300

Adoption Assistance Exclusion and Adoption Credit

	2024	2023
Phase Out (modified Adjusted Gross Income)	\$252,150 - \$292,150	\$239,230-\$279,230
Maximum Exclusion for Employer- Provided Adoption Assistance	\$16,810	\$15,950
Adoption Tax Credit Limit	\$16,810	\$15,950

Health Savings Account (HSA)⁴

	2024	2023
Minimum deductible amounts for the qualifying high-deductible health plan (HDHP)		
Individual Coverage	\$1,600	\$1,500
Family Coverage	\$3,200	\$3,000
Maximum Contribution Levels		
Individual Coverage	\$4,150	\$3,850
Family Coverage	\$8,300	\$7,750
Catch-Up Allowed for Those 55+	\$1,000	
Maximums for HDHP Out-of-Pocket Expenses (excluding premiums)		
Individual Coverage	\$8,050	\$7,500
Family Coverage	\$16,100	\$15,000

Excepted Benefit Health Reimbursement Arrangement (EBHRA)

	2024	2023
Maximum Newly Available Benefit Amount	\$2,100	\$1,950

Qualified Small Employer Health Reimbursement Arrangement (QSEHRA)

	2024	2023
Individual Coverage	\$6,150	\$5,850
Family Coverage	\$12,450	\$11,800

⁴ [RP-2023-23 \(irs.gov\)](https://www.irs.gov/irb/2023-23)



Archer Medical Savings Account (MSA)

	<u>2024</u>	<u>2023</u>
Minimum/Maximum Deductible Amounts for the Qualifying High-Deductible Health Plan (HDHP)		
Individual Coverage	\$2,800-\$4,150	\$2,650-\$3,950
Family Coverage	\$5,550-\$8,350	\$5,300-\$7,900
Annual out-of-pocket expenses required to be paid (other than for premiums) for covered benefits do not exceed		
Individual Coverage	\$5,550	\$5,300
Family Coverage	\$10,200	\$9,650

The preceding general summary is intended to educate employers and plan sponsors on the potential effects of government guidance on employee benefit plans. This summary is not and should not be construed as legal or tax advice. As always, we strongly encourage employers and plan sponsors to consult competent legal or benefits counsel for all guidance on how the actions apply in their specific circumstances.