

INTERNAL REVENUE CODE CONTRIBUTION LIMITS

Type of Contribution	2023 Limits	2024 Limits
All Contributions (Employer & Employee) <i>See below for aggregated plans.</i>	Lesser of 100% of employee's compensation or \$66,000	Lesser of 100% of employee's compensation or \$69,000
Employee Elective Deferrals	\$22,500	\$23,000
Age 50 or Older Catch-up Contribution	\$7,500	\$7,500

Participants may elect to make either the age 50 + catch-up contribution **OR the age 62, 63, & 64 catch-up contribution during a plan year—not both concurrently.*

Annual Dollar Limit on Elective Deferrals (IRC §402(g)(1))

Internal Revenue Code (IRC) §402(g)(1) limits the amount of salary deferral contributions that can be contributed to the IU Tax Deferred Account Plan and to all IRC §403(b) plans, §401(k) plans, and other similar type of plans in which an employee participates in any calendar year. (Please note that deferrals made to the IU 457(b) Retirement Plan (IRC §457(b) plan) are not limited by IRC §402(g)(1).)

The annual dollar limit is the lesser of 100 percent of the employee's compensation for the calendar year or the "applicable dollar amount." The "applicable dollar amount" is **\$22,500 for 2023 / \$23,000 for 2024**.

Please note that Indiana University does not monitor elective deferrals made to any business entity other than Indiana University. Therefore, an employee must self-monitor elective deferrals made to the Veterans Administration Hospital, IU Health, the IU Foundation, the IU Health Physicians, private practice associations, former employers, etc.

Age 50 or Older Catch-up Contributions (IRC §414(v)(2))

For participants who are at least age 50 before the end of the plan year, the current dollar limits on elective deferrals are increased. The additional amount of elective deferrals that are permitted to be made by an eligible participant is the lesser of (i) the participant's compensation for the year reduced by any other elective deferrals of the participant for the year or (ii) the "applicable dollar amount." The applicable dollar amount is **\$7,500 for 2023 / 2024**.

Age 50 or older catch-up contributions will not be taken into account in applying the annual dollar limit on elective deferrals (IRC §402(g)(1)) or the annual contribution limit (IRC §415(c)(1)).

Annual Contribution Limit (IRC §415(c)(1))

The IRC limits the amount of employer contributions and elective deferrals that can be made to the IU Tax Deferred Account Plan, IU Retirement Plan, and the IRC §403(b) plan portion of the IU 18/20 Retirement Plan on behalf of a participant. The maximum amount contributions that can be contributed to all of the plans on behalf of a participant for a limitation year is the lesser of:

- (1) 100 percent of the eligible employee's compensation;
- or
- (2) **\$66,000 for 2023 / \$69,000 for 2024**.

Employer contributions made to the IU Retirement Plan and to the IRC §403(b) plan portion of the IU 18/20 Retirement Plan may limit the amount of elective deferrals that a participant may make to the IU Tax Deferred Account Plan.

The Internal Revenue Service imposes various limits on your contributions to, or benefits from, the different IU plans. In addition, some limits require aggregation of the IU plans with other employer plans in which you participate or with a simplified employee pension (SEP) you have set up. These rules may vary depending on the type of plan, the type of contributions, and how the plan is structured.

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For full plan provisions visit hr.iu.edu/benefits/tda.html.