

# 2024 Cost of living adjustments (COLA)



## Health & welfare

### Annual benefit plan limits

Benefits and contributions	2023 limit	2024 limit
<b>Flexible spending accounts (FSA)</b>		
Employee health FSA pretax contribution (plan year limit)	\$3,050	\$3,200
Dependent care FSA household contribution (calendar year limit)	\$5,000	\$5,000
Health FSA carryover (plan year limit)	\$610	\$640
<b>Health savings accounts (HSA)</b>		
High deductible plan minimum deductible		
Single coverage	\$1,500	\$1,600
Family coverage	\$3,000	\$3,200
High deductible plan out-of-pocket max.		
Single coverage (in-network)	\$7,500	\$8,050
Family coverage (in-network)	\$15,000	\$16,100
Annual contribution maximum		
Single coverage	\$3,850	\$4,150
Family coverage	\$7,750	\$8,300
Catch-up contributions	\$1,000	\$1,000
<b>Qualified transportation fringe benefit exclusion</b>		
Transit passes and vanpooling	\$300/month	\$315/month
Qualified parking	\$300/month	\$315/month
<b>Employer ACA pay or play limits</b>		
Penalty for failure to offer minimum essential coverage to 95% of ACA FTEs	\$2,880 <sup>1</sup>	\$2,970 <sup>1</sup>
Penalty for coverage that is not affordable or minimum value	\$4,320 <sup>1</sup>	\$4,460 <sup>1</sup>
Affordability threshold	9.12% <sup>2</sup>	8.39% <sup>2</sup>
Federal poverty level safe harbor maximum monthly employee contribution	\$103.28	\$101.94
<b>Health reimbursement arrangements (HRA)</b>		
Qualified small employer HRA		
Single coverage	\$5,850	\$6,150
Family coverage	\$11,800	\$12,450
Excepted benefit HRA	\$1,950	\$2,100
<b>Healthcare reform fees</b>		
	For fees due in 2023	For fees due in 2024
Patient Centered Outcomes Research Institute (PCORI) fee	\$2.79 for plan years ending Jan 1, 2022 to Sept. 30, 2022. \$3.00 for plan years ending Oct. 1, 2022 to Dec. 31, 2022.	\$3.00 for plan years ending Jan. 1, 2023 to Sept. 30, 2023. \$3.22 for plan years ending Oct. 1, 2023 to Dec. 31, 2023.
<b>Out-of-pocket maximum for essential health benefits</b>		
Maximum out-of-pocket costs for in-network essential health benefits (non-grandfathered plans only)	Self-only: \$9,100 Family: \$18,200 <sup>3</sup>	Self-only: \$9,450 Family: \$18,900 <sup>3</sup>

<sup>1</sup>These are the annualized amounts; however, the penalties are calculated on a monthly basis.  
<sup>2</sup>Employee cost for self-only coverage as a percentage of household income. Affordability safe harbor for employer mandate is instead employee cost for self-only coverage as a percentage of W-2 pay, mainland poverty level, or hourly rate of pay.  
<sup>3</sup>Must embed the single OOP limit if plan is not grandfathered.

### Key welfare plan notice/filing deadlines

Notices/actions	Deadlines
ACA employer mandate reporting	
Forms 1095-C to ACA full-time employees	March 2 (or March 1 in a leap year)
Forms 1095-C or -B to primary insureds under self-funded coverage	March 2 (or March 1 in a leap year)
Forms 1095-C and/or -B with 1094-C and/or -B transmittal to IRS	February 28 if paper submission. <sup>1</sup> April 1 if e-filed. <sup>1</sup> (Must e-file if submitting 10 or more reports, unless a waiver is obtained.)
Form 5500	Seven months after close of the ERISA plan year.* *A 2 1/2-month extension is available by filing Form 5558 by the initial due date.
Summary annual report	Nine months after close of the ERISA plan year, or two months after the extended Form 5500 deadline.
HIPAA privacy notice	Upon enrollment; also due within 60 days of material change, and upon request.
HIPAA special enrollment notice	When first offered the opportunity to enroll.
Medicare Part D creditable and/or non-creditable coverage notice	<b>To CMS:</b> 60 days after beginning of the contract year or ERISA plan year. <b>To members:</b> Prior to Oct. 15, unless supplied within prior 12 months; also due upon material change in Rx coverage, and upon request.
Summary of material reduction in health benefits	60 days after change is adopted.
Summary plan description	90 days after coverage begins (120 days after new plan begins).
Summary of benefits and coverage (SBC)	<b>Open enrollment:</b> With open enrollment materials; if automatic enrollment, with no chance to change coverage, not later than 30 days prior to new plan year. <b>Special enrollment:</b> Not later than 90 days after the special enrollment. <b>Eligible but not enrolled:</b> Make readily accessible. <b>Midyear plan change:</b> Not later than 60 days prior to the effective date of the change. <b>Upon request:</b> As soon as practicable, but no later than seven business days after the request.
Women's Health and Cancer Rights Act notice	At enrollment and prior to each plan year.
Disclosure regarding insurance exchanges	Within 14 days of new hire's start date.
Notice of retroactive coverage cancellation	No fewer than 30 days prior to the date of coverage cancellation.
W-2 reporting of health plan values	By Jan. 31 (exception for some small employers).
Notice of premium assistance under Medicaid or CHIP	Annually; recommend plan provide with enrollment materials.
Notice of grandfathered status	Include with any summary of benefits provided upon initial eligibility and/or at open enrollment.

<sup>1</sup>Unless deadline is extended by the IRS.



## Retirement

### Annual benefit plan

Benefits and contributions	2023 limit	2024 limit
Elective deferrals to 401(k), 403(b) and 457(b) plans	\$22,500	\$23,000
SIMPLE retirement account salary deferrals	\$15,500	\$16,000
Catch-up contributions to:		
401(k), 403(b) and 457(b) plans (Additional rules may apply to 457(b) plans)	\$7,500	\$7,500
SIMPLE retirement accounts	\$3,500	\$3,500
Maximum defined contribution plan annual contribution	\$66,000	\$69,000
Maximum annual benefit from defined benefit pension plans	\$265,000	\$275,000
Maximum annual compensation taken into account	\$330,000	\$345,000
Lookback year compensation limit for highly compensated employees *For 2024 determinations based on 2023 compensation **For 2025 determinations based on 2024 compensation	\$150,000*	\$155,000**
Deductible amount for individual making qualified retirement contributions to an IRA §219(b)(5)(A)	\$6,500	\$7,000
Dollar limit for key employees for top-heavy purposes	\$215,000	\$225,000
Social Security taxable wage base	\$160,200	\$168,600

### Medicare 2024 cost sharing

Click [here](#) to view our 2024 Medicare Fact Sheet

### Key retirement plan notice/filing

Notices/actions	Deadlines
401(k) safe harbor notice	30 to 90 days before the plan year begins.
ADP/ACP corrective distributions	2½ months after close of the plan year to avoid 10% excise tax (six months if EACA requirements are met); else 12 months after close of the plan year.
Summary plan description	90 days after coverage begins (120 days after new plan begins).
Qualified/eligible automatic enrollment	New hires: Upon eligibility. Other: 30 to 90 days before the plan year begins.
Blackout notice	30 to 60 days prior to the blackout period.
Distribution of excess deferrals	By April 15 following the year to which the excess contribution relates.
Summary of material modification	Within 210 days after the close of the plan year in which the changes were adopted.
Form 5500	Seven months after close of the ERISA plan year.* *A 2½-month extension is available by filing Form 5558 by the initial due date.
Summary annual report	Nine months after the close of the ERISA plan year, or two months after the extended Form 5500 deadline.
Periodic benefit statements	45 days after the close of the quarter (participant-directed plans) or by the due date of the plan year Form 5500, including extensions (non-participant-directed plans).
Qualified default investment alternative	30 days prior to eligibility or first investment, then 30 days before the plan year begins.
File Form 5310-A	30 days prior to merger, consolidation, transfer, or spin-off of plan assets/liability.
Distribute notice of right to divest employer securities	Not later than 30 days prior to date right arises.
File Form 10 or Form 10-adv. with PBGC	30 days after reportable event occurs (certain events must be reported 30 days in advance).
Distribute 204(h) notices	45 days prior to effective date of amendment which reduces benefit accruals for single employer plans (15 days for small plans).
Distribute special tax notice, qualified joint and survivor annuity notice, and failure to defer receipt notice to individuals requesting distribution	30 to 180 days prior to distribution.
File Form 200 with PBGC	10 days after deadline for missed contribution.

**Not legal advice:** Nothing in this document should be construed as legal advice. Lockton may not be considered your legal counsel, and communications with Lockton's Compliance Consulting group are not privileged under the attorney-client privilege.