

ALERT

IRS ANNOUNCES RETIREMENT PLAN LIMITS FOR 2023

DOLLAR LIMITATIONS ON BENEFITS AND CONTRIBUTIONS FOR RETIREMENT & BENEFIT PLANS RELEASED FOR 2023!

The IRS has announced the 2023 cost-of-living adjustments applicable to dollar limitations for retirement plans and other employee benefit plans. Changes made were to Annual Elective Deferral Limit (401(k), 403(b), 457) and Catch-Up, Annual DC Limit, Annual Compensation Limit (and Safe Harbor Contribution Limits), Definition of Highly Compensated Employee and Key Employee, SIMPLE Employee Deferral and Catch-Up, SEP Minimum Compensation, SEP Annual Compensation, DB Plan Annual Benefit Limit, Social Security Taxable Wage Base, IRA Contribution Limit, and the HSA Contribution Limit for an individual and family.

Retirement plans and other employee benefit plans are subject to dollar limitations that are adjusted annually for cost-of-living increases based on inflation data provided by the Bureau of Labor Statistics' annual release of the Consumer Price Index.

Effective January 1, 2023, the following limitations apply (changed limits are noted in **bold**):

401(k) Plan Limits	2023	2022	2021	2020	2019
401(k) Elective Deferrals	\$22,500	\$20,500	\$19,500	\$19,500	\$19,000
Catch-Up Contribution Limit at age 50	\$7,500	\$6,500	\$6,500	\$6,500	\$6,000
Annual Defined Contribution Limit	\$66,000	\$61,000	\$58,000	\$56,000	\$56,000
Annual Compensation Limit	\$330,000	\$305,000	\$290,000	\$285,000	\$280,000
Safe Harbor Non-Elective Contribution	\$9,900	\$9,150	\$8,700	\$8,550	\$8,400
Basic Safe Harbor Match Contribution	\$13,200	\$12,200	\$11,400	\$11,200	\$11,200
Highly Compensated Employees	\$150,000	\$135,000	\$130,000	\$130,000	\$125,000
Key Employees – 1% Owners	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000
Key Employees – Officers	\$215,000	\$200,000	\$185,000	\$185,000	\$180,000
Other Limits	2023	2022	2021	2020	2019
403(b) / 457 Elective Deferrals	\$22,500	\$20,500	\$19,500	\$19,500	\$19,000
Catch-Up Contribution Limit at age 50	\$7,500	\$6,500	\$6,500	\$6,500	\$6,000
SIMPLE Employee Deferrals	\$15,500	\$14,000	\$13,500	\$13,500	\$13,000
SIMPLE Catch-Up Deferral	\$3,500	\$3,000	\$3,000	\$3,000	\$3,000
SEP Minimum Compensation	\$750	\$650	\$600	\$600	\$600
SEP Annual Compensation Limit	\$330,000	\$305,000	\$290,000	\$285,000	\$280,000
DB Plan Annual Benefit Limit	\$265,000	\$245,000	\$230,000	\$230,000	\$225,000
Social Security Taxable Wage Base	\$160,200	\$147,000	\$142,800	\$137,700	\$132,900
IRA Contribution Limit	\$6,500	\$6,000	\$6,000	\$6,000	\$6,000
IRA Catch-Up Contribution Limit	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
Health Savings Account - Individual	\$3,850	\$3,650	\$3,600	\$3,550	\$3,500
Health Savings Account (HSA) – Family	\$7,750	\$7,300	\$7,200	\$7,100	\$7,000
HSA – Catch-Up at age 55	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000

For assistance or questions related to applying the 2023 retirement plan limitations, or any other retirement plan issue, please contact 866-238-0082.