

IRS Retirement Plan Contribution and Benefit Limits

The tax law places limits on the dollar amount of contributions to retirement plans and IRAs and the amount of benefits under a retirement plan. IRC Section 415 requires the limits to be adjusted annually for cost of living increases.

| Chart of Selected Limits | 2023 | 2022 |
|---|----------------|-------------|
| 401(k), 403(b), Profit Sharing Plans | | |
| Annual Compensation* | 330,000 | 305,000 |
| Elective Deferrals | 22,500 | 20,500 |
| Catch-up Contributions | 7,500 | 6,500 |
| Defined Contribution Limit* | 66,000 | 61,000 |
| Defined Benefit Limit* | 265,000 | 245,000 |
| SIMPLE Plans | | |
| Minimum Annual Compensation | 5,000 | 5,000 |
| Maximum Contribution | 15,500 | 14,000 |
| Catch - up Contributions | 3,500 | 3,000 |
| SEP Plans | | |
| Minimum Annual Compensation | 750 | 650 |
| Maximum Contribution | 66,000 | 61,000 |
| IRAs | | |
| IRA Contribution Limit | 7,500 | 6,000 |
| IRA Catch - Up Contribution | 1,000 | 1,000 |
| IRA AGI Deduction Phase-Out Starting at: | | |
| Joint Return | 218,000 | 204,000 |
| Single or Head of Household | 138,000 | 129,000 |
| 457 Plans | | |
| Elective Deferrals | 22,500 | 20,500 |
| HSAs | | |
| Single | 3,850 | 3,650 |
| Family | 7,750 | 7,300 |
| Catch - Up | 1,000 | 1,000 |
| Testing Limits | | |
| Highly Compensated Employee Threshold | 150,000 | 135,000 |
| Key Employee- Officer Compensation | 215,000 | 200,000 |
| Key Employee- 1% Owner Compensation | 150,000 | 150,000 |
| Other | | |
| Taxable Wage Base* | 160,200 | 147,000 |

*Pro-rate for short plan year. Source: IRS <https://www.irs.gov/pub/irs-drop/n-22-55.pdf>

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