

BREAKING NEWS

2023 LIMITS FOR RETIREMENT PLAN CONTRIBUTIONS

The IRS has announced the 2023 cost-of-living adjustments for 401(a), 401(k), 403(b), and 457(b) governmental plans. The following chart reflects the 2023 limits, as well as the limits for the previous two years.

	CALENDAR YEAR		
	2023	2022	2021
401(k), 403(b), and 457(b) salary deferral limits	\$22,500	\$20,500	\$19,500
Age 50 catch-up contribution for 401(k), 403(b), and 457(b) governmental plan participants	\$7,500	\$6,500	\$6,500
HIGHLY COMPENSATED EMPLOYEES¹			
• Compensation in excess of ²	\$150,000	\$135,000	\$130,000
Maximum compensation ³	\$330,000 ³	\$305,000 ³	\$290,000 ³
INTEGRATION¹			
• Maximum excess allowance	5.7%	5.7%	5.7%
• Social Security taxable wage base ⁴	\$160,200	\$147,000	\$142,800
TOP HEAVY/KEY EMPLOYEES¹			
• Officer having annual compensation from the employer greater than	\$215,000	\$200,000	\$185,000
• 1% owner of the employer having annual compensation from the employer greater than	\$150,000	\$150,000	\$150,000
415 LIMITS			
• Defined benefit plan dollar limit	\$265,000	\$245,000	\$230,000
• Defined contribution plan dollar limit	\$66,000	\$61,000	\$58,000

¹ Determined as of the plan year beginning on or within the applicable calendar year.

² An employee who earned more than the indexed amount in the prior year and, if elected by the employer for the plan year, was in the top-paid 20% of employees at the workplace when ranked by compensation for the prior year.

³ Certain governmental plans have grandfathered participants who are subject to a different maximum compensation limit.

⁴ Announced by the Social Security Administration.

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