

REGULATORY UPDATE

October 24, 2022

IRS ANNOUNCES RETIREMENT PLAN LIMITS FOR 2023

The Internal Revenue Service (IRS) announced cost of living adjustments (COLAs) affecting dollar limitations for retirement plans and other retirement-related items for Tax Year 2023.

For the 2023 year there will be a significant increase in all of the key retirement plan limits. The deferral limit increased by \$2,000 to \$22,500 and the overall DC contribution limit increased \$5,000 to \$66,000. There was also an increase to the Catch-Up limit, Highly Compensated threshold, and the Annual Compensation Limit. These changes will allow participants to save more for a comfortable retirement.

It is important that you ensure your payroll system is updated to reflect these new limits starting January 1, 2023. If you have any questions about these changes, please contact our office.

Contribution/Benefit Limits	2023	2022
Elective Deferrals [401(k), 403(b) & 457 plans]	\$22,500	\$20,500
Catch-Up Contribution	\$7,500	\$6,500
Annual Contribution Limit	\$66,000	\$61,000
Highly Compensated Threshold	\$150,000	\$135,000
Annual Compensation Limit	\$330,000	\$305,000
DB Plan Annual Benefit Limit	\$265,000	\$245,000
Key Employee Compensation	\$215,000	\$200,000
Simple Employee Deferral	\$15,500	\$14,000
Simple Catch-Up Contribution	\$3,500	\$3,000

As published by the Internal Revenue Service.

For full details on the pension plan limitations for 2023 click [here](#).

For more information contact our team @ 407.585.1160.