

2023

Dollar Limits for Retirement Plans



The Internal Revenue Service has announced cost-of-living adjustments to the dollar limits for tax-qualified retirement plans and individual retirement accounts for 2023. The Internal Revenue Code imposes dollar limitations on benefits and contributions under tax-qualified retirement plans and contributions to individual retirement accounts. These limitations are adjusted annually to reflect cost-of-living increases, if any, pursuant to adjustment procedures similar to those used to adjust Social Security benefit amounts. Some of the more significant limitations are as follows:

Maximum Pre-tax Contribution by Employees to 401(k), 403(b) and 457(f) plans *without Catch-Up* **\$22,500** 2022: \$20,500

Maximum Pre-tax Catch-Up Contribution for Employees Age 50+ to 401(k), 403(b) and 457(e) Plans **\$7,500** 2022: \$6,500

Defined Benefit Maximum* **\$265,000** 2022: \$245,000

Defined Contribution Maximum *SEP IRA, Profit Sharing Plans* **\$66,000** 2022: \$61,000

Highly Compensated Employee Compensation **\$150,000** 2022: \$135,000

Includable Compensation Limit **\$330,000** 2022: \$305,000

Key Employee Compensation for "top heavy" plans **\$215,000** 2022: \$200,000

Maximum Traditional IRA and Roth IRA Contribution *without Catch-Up* **\$6,500** 2022: \$6,000

Maximum Traditional IRA and Roth IRA Catch-Up Contribution for Age 50+ **\$1,000** 2022: \$1,000

*For a participant who separated from service before January 1, 2023, the limitation for defined benefit plans under Section 415(b)(1)(B) is computed by multiplying the participant's compensation limitation, as adjusted through 2022, by 1.0833.

Source: [irs.gov/retirementplans](https://www.irs.gov/retirementplans)

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