

2023 UPDATES TO QUALIFIED RETIREMENT PLAN CONTRIBUTION BENEFIT LIMITS



The Internal Revenue Service recently announced several cost-of-living adjustments that will affect 401(k) and other qualified retirement plan limits in 2023. Here's a look at some key changes.

Qualified Retirement Plan Limitations	2023	2022
Elective Deferral Annual Limit (401(k), 403(b), TSP and most 457 plans)	\$22,500	\$20,500
Catch-Up Contribution Annual Limit (50 and older)	\$7,500	\$6,500
Defined Contribution Annual Limit	\$66,000	\$61,000
Defined Benefit Plan Annual Limit	\$265,000	\$245,000
Compensation Annual Limit	\$330,000	\$305,000
Highly Compensated Employee Threshold	\$150,000	\$135,000
Top-Heavy Plan Key Employee Dollar Limit	\$215,000	\$200,000
SIMPLE Contribution Annual Limit	\$15,500	\$14,000
SIMPLE Catch-Up Contribution (50 and older)	\$3,500	\$3,000
SEP Minimum Compensation	\$750	\$650
SEP Annual Compensation Limit	\$330,000	\$305,000
ESOP Limits	\$1,330,000	\$1,230,000
	\$265,000	\$245,000
Other Highlights	2023	2022
Social Security (OASDI) Taxable Wage Base	\$160,200	\$147,000
Traditional and Roth IRA Contribution Annual Limits	\$6,500	\$6,000
IRA Catch-Up Contributions (50 and older)	\$1,000	\$1,000

Looking for More Information?

IRS Notice 2022-55 includes details on these and other retirement plan limit adjustments at www.irs.gov. And, of course, if you have any questions, please feel free to contact your Opal financial advisor at (516) 388-7980.