

IRS Announces Retirement Plan Limits for 2023

*Cost of Living Adjustments Effective for Plan Years Beginning 1/1/2023**

On October 21, 2022 the Internal Revenue Service in [Notice 2022-55](#) announced the cost-of-living adjustments that apply to dollar limits for retirement plans for the tax year beginning on January 1, 2023. As widely anticipated, due to a significant rise in the cost of living, as measured by the Bureau of Labor Statistics (BLS) Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) for the period covering the third quarter of 2021 to the third quarter of 2022, the annual limits have been substantially increased.

Earlier, on October 13, the [Social Security Administration](#) announced an 8.7 % cost of living adjustment (COLA), largest since 1981, increasing the annual benefit by \$1,681 on average. The Taxable Wage Base jumped from \$147,000 to \$160,200. We have highlighted the year-over-year changes for easy identification.

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Elective deferral limit for 401(k), Roth 401(k), 403(b), Roth 403(b), & 457 Plans	\$22,500	\$20,500	\$19,500	\$19,500	\$19,000	\$18,500	\$18,000	\$18,000	\$18,000	\$17,500	\$17,500
Catch-up contribution limit for 401(k), Roth 401(k), 403(b), Roth 403(b), & 457 Plans	\$7,500	\$6,500	\$6,500	\$6,500	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$5,500	\$5,500
Elective deferral limit for SIMPLE IRA Plans	\$15,500	\$14,000	\$13,500	\$13,500	\$13,000	\$12,500	\$12,500	\$12,500	\$12,500	\$12,000	\$12,000
Catch-up contribution limit for SIMPLE IRA Plans	\$3,500	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$2,500	\$2,500
Annual limit for defined contribution plans	\$66,000	\$61,000	\$58,000	\$57,000	\$56,000	\$55,000	\$54,000	\$53,000	\$53,000	\$52,000	\$51,000
Annual limit to SEP IRA Plans	\$66,000	\$61,000	\$58,000	\$57,000	\$56,000	\$55,000	\$54,000	\$53,000	\$53,000	\$52,000	\$51,000
Maximum plan compensation for retirement plan purposes	\$330,000	\$305,000	\$290,000	\$285,000	\$280,000	\$275,000	\$270,000	\$265,000	\$265,000	\$260,000	\$255,000
Annual benefit limit for defined benefit plans	\$265,000	\$245,000	\$230,000	\$230,000	\$225,000	\$220,000	\$215,000	\$210,000	\$210,000	\$210,000	\$205,000
Threshold amount for definition of a highly compensated employee	\$150,000	\$135,000	\$130,000	\$130,000	\$125,000	\$120,000	\$120,000	\$120,000	\$120,000	\$115,000	\$115,000
Threshold amount for definition of a key employee in top heavy plans	\$215,000	\$200,000	\$185,000	\$185,000	\$180,000	\$175,000	\$175,000	\$170,000	\$170,000	\$170,000	\$165,000
SEP IRA compensation threshold for eligibility	\$750	\$650	\$650	\$600	\$600	\$600	\$600	\$600	\$600	\$550	\$550
Social Security Taxable Wage Base	\$160,200	\$147,000	\$142,800	\$137,700	\$132,900	\$128,400	\$127,200	\$118,500	\$118,500	\$117,000	\$113,700
IRA or Roth IRA contribution limit	\$6,500	\$6,000	\$6,000	\$6,000	\$6,000	\$5,500	\$5,500	\$5,500	\$5,500	\$5,500	\$5,500
Catch-up contribution limit for IRA and Roth IRA (fixed by law)	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
IRA Deduction phase-out limit for active plan participants starts at											
Single	\$73,000	\$68,000	\$66,000	\$65,000	\$64,000	\$63,000	\$62,000	\$61,000	\$61,000	\$60,000	\$59,000
Married Filing Jointly	\$116,000	\$109,000	\$105,000	\$104,000	\$103,000	\$101,000	\$99,000	\$98,000	\$98,000	\$96,000	\$95,000
Married Filing Jointly and one spouse is covered by a plan	\$218,000	\$204,000	\$198,000	\$196,000	\$193,000	\$189,000	\$186,000	\$184,000	\$183,000	\$181,000	\$178,000
Roth IRA contribution phase-out limit starts at											
Single	\$138,000	\$129,000	\$125,000	\$124,000	\$122,000	\$120,000	\$118,000	\$117,000	\$116,000	\$114,000	\$112,000
Married Filing Jointly	\$218,000	\$204,000	\$198,000	\$196,000	\$193,000	\$189,000	\$186,000	\$184,000	\$183,000	\$181,000	\$178,000

* This summary is designed to provide an overview of the dollar limitations for retirement plans applicable in 2023 and is not comprehensive. It is intended for general information only and is believed to be accurate and reliable as of posting date but may be subject to change. Cetera Retirement Plan Solutions does not provide investment, tax, or legal advice. Individuals should seek services from the appropriate tax and legal professionals as to applicability of this information in for their individual circumstances. © Cetera Retirement Plan Solutions. All Rights Reserved.

	2012	2011	2010	2009	2008	2007
Elective deferral limit for 401(k), Roth 401(k), 403(b), Roth 403(b), & 457 Plans	\$17,000	\$16,500	\$16,500	\$16,500	\$15,500	\$15,500
Catch-up contribution limit for 401(k), Roth 401(k), 403(b), Roth 403(b), & 457 Plans	\$5,500	\$5,500	\$5,500	\$5,500	\$5,000	\$5,000
Elective deferral limit for SIMPLE IRA Plans	\$11,500	\$11,500	\$11,500	\$11,500	\$10,500	\$10,500
Catch-up contribution limit for SIMPLE IRA Plans	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500
Annual limit for defined contribution plans	\$50,000	\$49,000	\$49,000	\$49,000	\$46,000	\$45,000
Annual limit to SEP IRA Plans	\$50,000	\$49,000	\$49,000	\$49,000	\$46,000	\$45,000
Maximum plan compensation for retirement plan purposes	\$250,000	\$245,000	\$245,000	\$245,000	\$230,000	\$225,000
Annual benefit limit for defined benefit plans	\$200,000	\$195,000	\$195,000	\$195,000	\$185,000	\$180,000
Threshold amount for definition of a highly compensated employee	\$115,000	\$110,000	\$110,000	\$110,000	\$105,000	\$100,000
Threshold amount for definition of a key employee in top heavy plans	\$165,000	\$160,000	\$160,000	\$160,000	\$150,000	\$145,000
SEP IRA compensation threshold for eligibility	\$550	\$550	\$550	\$550	\$500	\$500
Social Security Taxable Wage Base	\$110,100	\$106,800	\$106,800	\$106,800	\$102,000	\$97,500
IRA or Roth IRA contribution limit	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$4,000
Catch-up contribution limit for IRA or Roth IRA	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
IRA Deduction phase-out limit for active plan participants starts at						
Single	\$58,000	\$56,000	\$56,000	\$55,000	\$53,000	\$52,000
Married Filing Jointly	\$92,000	\$90,000	\$89,000	\$89,000	\$85,000	\$83,000
Married Filing Jointly and one spouse is covered by a plan	\$173,000	\$169,000	\$167,000	\$166,000	\$159,000	\$156,000
Roth IRA contribution phase-out limit starts at						
Single	\$110,000	\$107,000	\$105,000	\$105,000	\$101,000	\$99,000
Married Filing Jointly	\$173,000	\$169,000	\$167,000	\$166,000	\$159,000	\$156,000

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