

2023 Retirement Plan Limits



On October 21, 2022, the IRS announced cost of living adjustments affecting dollar limitations for pension plans and other retirement-related items for the tax year 2023. Here are the highlights:

	2023	2022	2021
401(k), 403(b), 457 Elective Deferral Limit (calendar year):	\$22,500	\$20,500	\$19,500
401(k), 403(b) & 457 Catch-Up Contribution Limit (calendar, plan or limitation year)	\$7,500	\$6,500	\$6,500
Annual Compensation Limit (Plan year BEGIN)	\$330,000	\$305,000	\$290,000
Defined Contribution Limit (limitation year END)	\$66,000	\$61,000	\$58,000
Defined Benefit Limit at ages 62-65 (limitation year END)	\$265,000	\$245,000	\$230,000
Definition of Highly Compensated Employee (HCE) (plan year BEGIN)	\$150,000	\$135,000	\$130,000
Key Employee Compensation Threshold (plan year END)			
5% Owner	All	All	All
Officer	\$215,000	\$200,000	\$185,000
IRA Contribution Limit	\$6,500	\$6,000	\$6,000
IRA Catch-Up Contributions	\$1,000	\$1,000	\$1,000

Highlights of Changes for 2022

The annual compensation limit under Code Sections 401(a)(17), 404(l), 408(k)(3)(C), and 408(k)(6)(D)(ii) is increased from \$305,000 to \$330,000.

The limitation for defined contribution (DC) plans under Section 415(c)(1)(A) (annual additions) has been increased for 2023 to \$66,000 from \$61,000.

The income limit for the Saver's Credit (also known as the Retirement Savings Contributions Credit) for low- and moderate-income workers is \$73,000 for married couples filing jointly, up from \$68,000; \$54,750 for heads of household, up from \$51,000; and \$36,500 for singles and married individuals filing separately, up from \$34,000.

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