



IMPORTANT FACTS, FIGURES AND LIMITS FOR 2023 DEFINED CONTRIBUTIONS PLANS AND INDIVIDUAL RETIREMENT ACCOUNTS

401(K) SAVINGS LIMIT

- Maximum 401(k) savings limit for 2023 is \$22,500. This is an increase of \$2,000 from 2022.
- Catch-up contributions are permitted for employees who have reached age 50. For 2023, has increased to \$7,500 from \$6,500. Important Note: These are *in addition* to other amounts and are not included against the annual maximums.

TOTAL CONTRIBUTION LIMITS

- Maximum amount contributed to participant accounts from all sources is \$66,000. This may be up to 100% of compensation. This is an increase of \$5,000 from 2022.
- This does not include the annual catch-up contributions. For those who have reached age 50, the total contribution limit is \$73,500.

COMPENSATION LIMITS

- Eligible compensation maximum for 2023 is \$330,000. This is an increase of \$25,000 from 2022.
- Highly Compensated Employee definition includes those earning over \$150,000 in the prior year. This is an increase of \$15,000 from 2022.
- Social Security Wage Base for 2023 is \$160,200. This is an increase of \$13,200 from 2022.

SIMPLE PLAN LIMITS

- Maximum savings limit for 2023 is \$15,500 for SIMPLE Plans. This is an increase of \$1,500 from 2022.
- Catch-up contributions are permitted for employees who have reached age 50. For 2023, this amount has increased from \$3,000 to \$3,500.

INDIVIDUAL RETIREMENT ACCOUNT LIMITS (BOTH FOR TRADITIONAL AND ROTH IRAS)

- Maximum contribution limit increased to \$6,500 for 2023. This is an increase of \$500 from 2022
- Catch-up contributions are permitted for individuals who have reached age 50. For 2023, this amount remains at \$1,000.
- Special Note on IRAs: There are income limitations as well as deductibility stipulations, so please be sure to have your individual setting evaluated prior to establishing an account or making additional contributions.

If you have any questions regarding these facts, figures, and limits, please give us a call.

Source: American Society of Pension Professionals & Actuaries (ASPPA)