

## 2023 RETIREMENT PLAN LIMITS

Each year, the Internal Revenue Service publishes updated dollar limitations for tax-qualified defined benefit and defined contribution plans. The limits are important for tax-qualified plans, as well as many non-qualified plans.

### 2023 Cost of Living Adjustments

Summary	2023 Limit	2022 Limit
Dollar Limit on Elective Deferrals	\$22,500	\$20,500
Catch-Up Contribution Limit	\$7,500	\$6,500
Annual Compensation Limit	\$330,000	\$305,000
Section 415 Annual Additions Limit	\$66,000	\$61,000
Highly Compensated Employee	\$150,000	\$135,000
Key Employee (officers)	\$215,000	\$200,000

#### DOLLAR LIMIT ON ELECTIVE DEFERRALS

The maximum amount a participant may defer into a 401(k), 403(b) or 457(b) plan for a given calendar year increases to \$22,500 for 2023.

#### CATCH-UP CONTRIBUTION LIMIT

If your 401(k), 403(b) or governmental 457(b) plan allows for catch-up contributions, participants age 50 or over in the calendar year may make additional contributions to the plan. The dollar limit increases to \$7,500 for 2023.

#### ANNUAL COMPENSATION LIMIT

The Internal Revenue Code limits the amount of annual compensation that may be used for each employee's benefit calculation purposes. For 2023, the annual compensation limit increases to \$330,000.

#### SECTION 415 ANNUAL ADDITIONS LIMIT

Internal Revenue Code Section 415 provides for dollar limitations on contributions to defined contribution plans. The dollar limitation for defined contribution plans increases to \$66,000 for 2023.

#### HIGHLY COMPENSATED EMPLOYEE

The definition of a highly compensated employee (HCE) is quite complex and depends partly on the provisions elected in your plan document. Generally, an HCE received compensation for the preceding year in excess of a certain dollar amount. For 2023, the dollar amount moves to \$150,000. For example, an employee compensated more than \$150,000 in the 2023 plan year may be a HCE in the 2024 plan year.

#### KEY EMPLOYEE (OFFICERS)

An individual who owns more than 5% of a business, owns more than 1% of a business and has compensation in excess of \$150,000, or is an officer with compensation in excess of a certain dollar amount, is considered a key employee. The compensation limit for key employees increases to \$215,000 for 2023. (The \$150,000 compensation limit for 1% owners is not indexed for cost-of-living increases.)

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## 2023 RETIREMENT PLAN LIMITS (CONTINUED)

### 2023 Cost of Living Adjustments Five Year

#### IRAs

Summary	2023 Limit	2022 Limit	2021 Limit	2020 Limit	2019 Limit
IRA Contribution Limit	\$6,500	\$6,000	\$6,000	\$6,000	\$6,000
IRA Catch-Up Contributions	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000

#### DEFINED BENEFIT

Summary	2023 Limit	2022 Limit	2021 Limit	2020 Limit	2019 Limit
Defined Benefit Limits	\$265,000	\$245,000	\$230,000	\$230,000	\$225,000

#### 401(k), 403(b), PROFIT-SHARING PLANS, ETC.

Summary	2023 Limit	2022 Limit	2021 Limit	2020 Limit	2019 Limit
Annual Compensation Limit	\$330,000	\$305,000	\$290,000	\$285,000	\$280,000
Dollar Limit on Elective Deferrals	\$22,500	\$20,500	\$19,500	\$19,500	\$19,000
Catch-Up Contribution Limit	\$7,500	\$6,500	\$6,500	\$6,500	\$6,000
Section 415 Annual Additions Limit	\$66,000	\$61,000	\$58,000	\$57,000	\$56,000
ESOP Limits	\$1,330,000	\$1,230,000	\$1,165,000	\$1,150,000	\$1,130,000

#### OTHER

Summary	2023 Limit	2022 Limit	2021 Limit	2020 Limit	2019 Limit
Highly Compensated Employee	\$150,000	\$135,000	\$130,000	\$130,000	\$125,000
Key Employee (officer)	\$215,000	\$200,000	\$185,000	\$185,000	\$180,000
457 Elective Deferrals	\$22,500	\$20,500	\$19,500	\$19,500	\$19,000
Control Employee (board member or officer)	\$130,000	\$120,000	\$115,000	\$115,000	\$110,000
Control Employee (compensation-based)	\$265,000	\$245,000	\$235,000	\$230,000	\$225,000
Taxable Wage Base	\$160,200	\$147,000	\$142,800	\$137,700	\$132,900

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