



hooker & holcombe

2023 Retirement Plan Limits

The Internal Revenue Service (IRS) has published the cost-of-living adjustments (COLA) applicable to dollar limitations for employer-sponsored retirement and welfare plans, indicating an increase in the amount individuals can contribute to their 401(k) plans for the 2023 tax year. IRA contributions and catch-up contributions to 401(k), 403(b) and most 457 plans for age 50 and older also increased for 2023.

Contribution and benefit limits effective January 1, 2023 are as follows:

	2023	2022	2021	2020
Defined Benefit maximum	\$265,000	\$245,000	\$230,000	\$230,000
Defined Contribution maximum	\$66,000	\$61,000	\$58,000	\$57,000
Maximum employee pre-tax contribution (pre-tax plus Roth combined)				
401(k), 403(b) and most 457 plans	\$22,500	\$20,500	\$19,500	\$19,500
Simple 401(k)	\$15,500	\$14,000	\$13,500	\$13,500
Maximum employee catch-up contribution (pre-tax plus Roth combined)				
401(k), 403(b) and most 457 plans	\$7,500	\$6,500	\$6,500	\$6,500
Simple 401(k)	\$3,500	\$3,000	\$3,000	\$3,000
Compensation cap	\$330,000	\$305,000	\$290,000	\$285,000
Highly compensated threshold	\$150,000	\$135,000	\$130,000	\$130,000
Key employee threshold	\$215,000	\$200,000	\$185,000	\$185,000
	2023	2022	2021	2020
Old age & disability	\$160,200	\$147,000	\$142,800	\$137,700
Medicare	No Max.	No Max.	No Max.	No Max.

Plan sponsors should use this information to update payroll and plan administration systems. Please contact your H&H consultant with questions or to learn more about how these updates apply to your plans.