

The 2023 IRS contribution limits and benefits



Effective January 1, 2023, the IRS implemented some retirement contribution and benefits updates. Although there are a few key changes this year, we wanted to share highlights for your benefit.

The retirement limits that have changed include:

- The elective deferral limit for participants in 401(k) and 403(b) plans will increase to \$22,500.
- An IRA contributor who is not covered by a workplace retirement plan but is married to someone who is will have the deduction phased out if their combined income is between \$218,000 and \$228,000.
- The AGI phase-out range for married couples filing jointly making Roth IRA contributions is now \$218,000 to \$228,000, and \$138,000 to \$153,000 for singles and heads of households.
- The AGI limit for the Saver's Credit is \$73,000 for married couples filing jointly, \$54,750 for heads of households, and \$36,500 for married couples filing separately and singles.
- The limitation for defined contribution plans increased to \$66,000.
- The dollar amount for determining the maximum account balance in an employee stock ownership plan subject to a five-year distribution period increased to \$1,330,000. The amount that determines lengthening the five-year distribution period increased to \$265,000.

The changes regarding compensation and cost-of-living limits include:

- The annual compensation limit increased to \$330,000.
- The annual compensation limit for eligible government participants increased to \$490,000.
- The compensation amount for simplified employee pensions (SEPs) remains unchanged at \$750.
- The dollar amount for determining the maximum account balance in an employee stock ownership plan subject to a 5-year distribution period is increased to \$1,330,000.
- The threshold to determine whether a multiemployer plan is systemically important increased to \$1,256,000,000.
- The adjusted gross income limitation for determining the retirement savings contributions credit for all taxpayers increased to \$22,500.
- The deduction for taxpayers making contributions to a traditional IRA is phased out for singles and heads of households who are active participants in a qualified plan and have adjusted gross incomes between \$73,000 and \$83,000, increased from last year.
- The adjusted gross income limitation for determining the maximum Roth IRA contribution for married taxpayers filing joint return or for taxpayers filing as a widower increased to \$218,000.
- The adjusted gross income phase-out range for taxpayers making contributions to a Roth IRA is increased to \$218,000 to \$228,000 for married couples filing jointly.

For a comprehensive list of all limits for 2023, please visit <https://www.irs.gov/pub/irs-drop/n-22-55.pdf>.

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2023 IRS Contribution and Benefit Limits

Contribution Limits	2021	2022	2023
Elective Deferral Limit: 401(k), 403(b), 457(b) Plans	\$19,500	\$20,500	\$22,500
Catch-Up Contribution Limit	\$6,500	\$6,500	\$7,500
Elective Deferral Limit: SIMPLE Retirement Plan	\$13,500	\$14,000	\$15,500
Catch-Up Contribution Limit: SIMPLE Retirement Plan	\$3,000	\$3,000	\$3,500
Contribution Limit: IRA	\$6,000	\$6,000	\$6,500
Catch-Up Contribution Limit: IRA	\$1,000	\$1,000	\$1,000

Benefits and Compensation

Defined Contribution Plan Annual Addition Limit	\$58,000	\$61,000	\$66,000
Defined Benefit Plan Annual Benefit Limit	\$230,000	\$245,000	\$265,000
Annual Compensation Limit	\$290,000	\$305,000	\$330,000
Highly Compensated Employee Limit	\$130,000	\$135,000	\$150,000
Key Employee Compensation Limit	\$185,000	\$200,000	\$215,000

Social Security/Medicare

Social Security Wage Base	\$142,800	\$147,000	\$160,200
Medicare Wage Base	No Limit	No Limit	No Limit

Health Savings Accounts

Individual HSA Contribution Limit	\$3,600	\$3,650	\$3,850
Family HSA Contribution Limit	\$7,200	\$7,300	\$7,750

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