

# 2022 Annual Plan Limits



The new 2022 limits provide increased opportunities for retirement plan sponsors and their employees.

	2022	2021	2020
<b>Contributions and Benefit Limits</b>			
Defined Contribution Plans	\$61,000	\$58,000	\$57,000
Defined Benefit/Cash Balance Plan Annuity	\$245,000	\$230,000	\$230,000
Cash Balance Maximum Lump Sum	\$3,150,000	\$3,000,000	\$3,000,000
401(k), 403(b), and 457 Plan Elective Deferrals	\$20,500	\$19,500	\$19,500
SIMPLE Plan Elective Deferrals	\$14,000	\$13,500	\$13,500
IRA (Traditional and Roth)	\$6,000	\$6,000	\$6,000
Qualified Longevity Annuity Contract (QLAC)	\$145,000	\$135,000	\$135,000
ESOP amount to determine lengthening of the 5-year Distribution Period	\$245,000	\$230,000	\$230,000
ESOP Maximum Balance subject to the 5-year Distribution Rule	\$1,230,000	\$1,165,000	\$1,150,000
<b>Catch-Up Contributions</b>			
401(k), 403(b), and 457 Plans	\$6,500	\$6,500	\$6,500
SIMPLE Plans	\$3,000	\$3,000	\$3,000
IRA	\$1,000	\$1,000	\$1,000
<b>Other</b>			
Maximum Considered Compensation	\$305,000	\$290,000	\$285,000
Social Security Taxable Wage Base (TWB)	\$147,000	\$142,800	\$137,700
Definition of Highly Compensated Employee	\$135,000	\$130,000	\$130,000
Definition of Key Employee	\$200,000	\$185,000	\$185,000
SEP Minimum Compensation	\$650	\$650	\$600
Defined Benefit Plan Single Employer Flat PBGC Rate Premium	\$88	\$86	\$83
Defined Benefit Plan Single Employer Variable Rate Premiums/\$1,000 UVB	\$48	\$46	\$45

### Additional information:

- The term “annual additions” generally means the sum for any year of employer contributions, employee contributions, and forfeitures.
- For plans that include salary deferral features, individuals who are age 50 and older by the end of the calendar year may make catch-up contributions in addition to the annual addition limit, if catch-up contributions are permitted under the plan.

### Notes for off-calendar plan years:

- Deferral limits are on a calendar year basis, regardless of plan year.
- Use the taxable wage base (TWB) in effect at the beginning of the plan year.
- Use the annual compensation limit in effect at the beginning of the plan year.
- Use the annual additions limit in effect at the end of the calendar year.

## We're Here to Help!

- Would you like to learn more about the new limits and how they apply to your plan?
- Have you revisited your plan design lately to optimize tax efficiency?
- Are you looking to increase your pre-tax retirement deferrals?

***There may be opportunities you're missing for your business and your employees to achieve your retirement savings goals. Let's connect!***

## Contact Your Advisor

NAME \_\_\_\_\_

PHONE \_\_\_\_\_

EMAIL \_\_\_\_\_

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