

Annual Plan Limits

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


	2023	2022	2021
CONTRIBUTIONS AND BENEFIT LIMITS			
Defined Contribution Plans	\$66,000	\$61,000	\$58,000
Defined Benefit/Cash Balance Plan Annuity	\$265,000	\$245,000	\$230,000
Cash Balance Maximum Lump Sum	\$3,400,000	\$3,150,000	\$3,000,000
401(k), 403(b), and 457 Plan Elective Deferrals	\$22,500	\$20,500	\$19,500
SIMPLE Plan Elective Deferrals	\$15,500	\$14,000	\$14,000
IRA (Traditional and Roth)	\$6,500	\$6,000	\$6,000
Qualified Longevity Annuity Contract (QLAC)	\$155,000	\$145,000	\$135,000
ESOP amount to determine lengthening of the 5-year Distribution Rule	\$265,000	\$245,000	\$230,000
ESOP Maximum Balance subject to the 5-year Distribution rule	\$1,330,000	\$1,230,000	\$1,165,000
CATCH-UP CONTRIBUTIONS			
401(k), 403(b), and 457 Plans	\$7,500	\$6,500	\$6,500
SIMPLE Plans	\$3,500	\$3,000	\$3,000
IRA	\$1,000	\$1,000	\$1,000
OTHER			
Maximum Considered Compensation	\$330,000	\$305,000	\$290,000
Social Security Taxable Wage Base (TWB)	\$160,200	\$147,000	\$142,800
Definition of Highly Compensated Employee	\$150,000	\$135,000	\$130,000
Definition of Key Employee	\$215,000	\$200,000	\$185,000
SEP Minimum Compensation	\$750	\$650	\$650
Defined Benefit Plan Single Employer Flat PBGC Rate Premium	\$96	\$88	\$86
Defined Benefit Plan Single Employer Variable Rate Premiums/\$1,000 UVB	\$52	\$48	\$46


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 plan year.

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