



Technical Update

2023 Retirement Limits

The following highlights the changes beginning in 2023 for dollar limitations on qualified pension plans and Social Security.

The Internal Revenue Service provides dollar limitations on benefits and contributions under qualified retirement plans. It also allows these limitations to be adjusted annually for cost-of-living increases.

The Social Security Administration (SSA) generally increases the maximum taxable earnings under the Social Security portion (OASDI) of Social Security and Medicare each year. The SSA also provides cost-of-living adjustments for Social Security beneficiaries based on the changes in the Consumer Price Index (CPI).

| | 2021 | 2022 | 2023 |
|---|-----------|-----------|-----------|
| IRS Limitations | | | |
| Maximum annual compensation limit | \$290,000 | \$305,000 | \$330,000 |
| Maximum annual benefit under DB plan | \$230,000 | \$245,000 | \$265,000 |
| Maximum annual contribution under DC plan | \$58,000 | \$61,000 | \$66,000 |
| Highly compensated employee limit | \$130,000 | \$135,000 | \$150,000 |
| Maximum 401(k) elective deferral limit | \$19,500 | \$20,500 | \$22,500 |
| Maximum 403(b)/457(b) elective deferral limit | \$19,500 | \$20,500 | \$22,500 |
| Catch-up contribution for individuals over 50 | \$6,500 | \$6,500 | \$7,500 |
| Key Employee/Officer | \$185,000 | \$200,000 | \$215,000 |
| Social Security | | | |
| Maximum taxable earnings | \$142,800 | \$147,000 | \$160,200 |
| IRAs | | | |
| Annual contribution limit | \$6,000 | \$6,000 | \$6,500 |
| SEP Simple Plan | | | |
| Maximum Plan contribution | \$13,000 | \$14,000 | \$15,500 |
| Healthcare Flexible Account | | | |
| FSA Annual contribution limit | \$2,750 | \$2,850 | \$3,050 |
| | | | |
| | | | |
| | | | |