



## FINANCIAL PERSPECTIVES



## Current and Historical Retirement Plan Limits January 11, 2023



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# IRA Historical Limits

## Traditional and Roth IRAs

| Limit <sup>1</sup>  | 2023                   | 2022                   | 2021                   | 2020                   | 2019                   |
|---|------------------------|------------------------|------------------------|------------------------|------------------------|
| <b>Traditional IRA</b> - Maximum individual contribution  | \$6,500                | \$6,000                | \$6,000                | \$6,000                | \$6,000                |
| <b>Traditional IRA</b> - Age 50 and over "catch-up."  | \$1,000                | \$1,000                | \$1,000                | \$1,000                | \$1,000                |
| <b>Traditional IRA</b> - Single contribution phase-out range. <sup>2</sup>  | \$73,000 to \$83,000   | \$68,000 to \$78,000   | \$66,000 to \$76,000   | \$65,000 to \$75,000   | \$64,000 to \$74,000   |
| <b>Traditional IRA</b> - Married filing joint contribution phase-out range. <sup>2</sup>  | \$116,000 to \$136,000 | \$109,000 to \$129,000 | \$105,000 to \$125,000 | \$104,000 to \$124,000 | \$103,000 to \$123,000 |
| <b>Traditional IRA</b> - Married filing joint contribution phase-out range, one spouse a qualified plan participant. <sup>3</sup> | \$218,000 to \$228,000 | \$204,000 to \$214,000 | \$198,000 to \$208,000 | \$196,000 to \$206,000 | \$193,000 to \$203,000 |
| <b>Traditional IRA</b> - Married filing separate contribution phase-out range. <sup>2</sup>                                       | \$0 to \$10,000        | \$0 to \$10,000        | \$0 to \$10,000        | \$0 to \$10,000        | \$0 to \$10,000        |
| <b>Roth IRA</b> - Maximum individual contribution   | \$6,500                | \$6,000                | \$6,000                | \$6,000                | \$6,000                |
| <b>Roth IRA</b> - Age 50 and over "catch-up."   | \$1,000                | \$1,000                | \$1,000                | \$1,000                | \$1,000                |
| <b>Roth IRA</b> - Single contribution phase-out range.  | \$138,000 to \$153,000 | \$129,000 to \$144,000 | \$125,000 to \$140,000 | \$124,000 to \$139,000 | \$122,000 to \$137,000 |
| <b>Roth IRA</b> - Married filing joint contribution phase-out range.  | \$218,000 to \$228,000 | \$204,000 to \$214,000 | \$198,000 to \$208,000 | \$196,000 to \$206,000 | \$193,000 to \$203,000 |
| <b>Roth IRA</b> - Married filing separate contribution phase-out range.   | \$0 to \$10,000        | \$0 to \$10,000        | \$0 to \$10,000        | \$0 to \$10,000        | \$0 to \$10,000        |

**Note:** MAGI is the taxpayer's normal Adjusted Gross Income (AGI) increased by: (1) taxable Social Security benefits; (2) after applying the IRC Sec. 469 passive activity rules; (3) any IRA deduction; (4) student loan interest deduction; (5) tuition and fees deduction (repealed for years after 2020); (6) foreign housing exclusion or deduction; (7) excluded qualified U.S. savings bond interest; and (8) excluded employer-paid adoption expenses. For most taxpayers, AGI and MAGI will be the same.

<sup>1</sup> The various limits shown in this table reflect federal income tax law; state or local law may vary.

<sup>2</sup> The limits shown apply to a taxpayer who is a qualified plan participant.

<sup>3</sup> The limit shown applies to the spouse who is not a qualified plan participant.

# Qualified Plan Historical Limits

## Employer-Sponsored Qualified Retirement Plans

| Limit <sup>1</sup>   | 2023                                | 2022                                | 2021                                | 2020                                | 2019                                |
|--|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| <b>Defined Benefit Plan</b> - Limit on annual benefit                                    | \$230,000                           | \$245,000                           | \$230,000                           | \$230,000                           | \$225,000                           |
| <b>Defined Contribution Plan</b> - Maximum allocation to individual participant account. | Lesser of \$66,000 or 100% of comp. | Lesser of \$61,000 or 100% of comp. | Lesser of \$58,000 or 100% of comp. | Lesser of \$57,000 or 100% of comp. | Lesser of \$56,000 or 100% of comp. |
| <b>Maximum Compensation Amount</b> - Considered in defined contribution plans.           | \$330,000                           | \$305,000                           | \$290,000                           | \$285,000                           | \$280,000                           |
| <b>401(k), 403(b), SAR-SEP</b> - Participant maximum elective deferral.                  | \$22,500                            | \$20,500                            | \$19,500                            | \$19,500                            | \$19,000                            |
| <b>401(k), 403(b), SAR-SEP</b> - Age 50 and over "catch-up."                             | \$7,500                             | \$6,500                             | \$6,500                             | \$6,500                             | \$6,000                             |
| <b>Simple IRA and Simple 401(k)</b> - Participant maximum elective deferral.             | \$15,500                            | \$14,000                            | \$13,500                            | \$13,500                            | \$13,000                            |
| <b>Simple IRA and Simple 401(k)</b> - Age 50 and over "catch-up."                        | \$3,500                             | \$3,000                             | \$3,000                             | \$3,000                             | \$3,000                             |
| <b>457 Plan</b> - Participant maximum elective deferral.                                 | \$22,500                            | \$20,500                            | \$19,500                            | \$19,500                            | \$19,000                            |
| <b>Simplified Employee Pension (SEP)</b> - Minimum compensation for exclusion.           | \$750                               | \$650                               | \$650                               | \$600                               | \$600                               |
| <b>Key Employee</b>  | \$215,000                           | \$200,000                           | \$185,000                           | \$185,000                           | \$180,000                           |
| <b>Highly Compensated Employee</b>   | \$150,000                           | \$135,000                           | \$130,000                           | \$130,000                           | \$125,000                           |
| <b>Source Document</b>   | Notice 2022-55                      | Notice 2021-61                      | Notice 2020-79                      | IR-2019-179                         | IR-2018-211                         |

## Social Security Wage Base

Since employer-sponsored qualified retirement plans are sometimes integrated with Social Security, the Social Security wage base for a particular year is also useful information:

| Limit                            | 2023      | 2022      | 2021      | 2020      | 2019      |
|----------------------------------|-----------|-----------|-----------|-----------|-----------|
| <b>Social Security Wage Base</b> | \$160,200 | \$147,000 | \$142,800 | \$137,700 | \$132,900 |

<sup>1</sup> The various limits shown in this table reflect federal income tax law; state or local law may vary.