

# 2023 Contribution & Benefits Limits

For 401(k) and other qualified plans

06.14.23 ·

RETIREMENT AND FINANCIAL  
PLANNING



TYPE OF LIMITATION	2023	2022
401(k), 457, and 403(b) maximum annual elective deferral limit <sup>1</sup>	\$22,400	\$20,500
401(k), 403(b), and 457 plan catch-up contribution limit for individuals age 50 or over <sup>1</sup>	\$7,500	\$6,500
Savings incentive match plan for employees (SIMPLE) maximum annual elective deferral limit <sup>1</sup>	\$15,500	\$14,000
SIMPLE 401(k) or SIMPLE IRA catch-up contribution limit for individuals age 50 or over <sup>1</sup>	\$3,500	\$3,000
Defined contribution plan annual limit <sup>1</sup>	Lesser of: \$66,000 or 100% of compensation	Lesser of: \$61,000 or 100% of compensation
Traditional IRA contribution limit for individuals up to age 49 <sup>2</sup>	Lesser of: \$6,500 or 100% of compensation	Lesser of: \$6,000 or 100% of compensation
Traditional IRA contribution limit for individuals age 50 or older <sup>2</sup>	Lesser of: \$7,500 or 100% of compensation	Lesser of: \$7,000 or 100% of compensation
Traditional IRA catch-up contribution limit for individuals age 50 or over <sup>3</sup>	\$1,000	\$1,000
Defined benefit plan annual limit under IRS Section 415 <sup>4</sup>	\$265,000	\$245,000
Annual allowable compensation limit for deduction, benefit, and contribution purposes <sup>5</sup>	\$330,000	\$305,000
Highly compensated employee <sup>4</sup>	\$150,000	\$135,000
Key employee/officer in a top-heavy plan <sup>4</sup>	\$215,000	\$200,000
Income subject to Social Security tax <sup>6</sup>	\$160,200	\$147,000

**Annual contribution rates are based on the IRS 2023 retirement plan limitations and are subject to change. For full details on the pension plan limits for 2023, please visit the IRS website.**

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#### CITATIONS

- 1 <https://www.irs.gov/retirement-plans/plan-participant-employee/retirement-topics-401k-and-profit-sharing-plan-contribution-limits>
- 2 <https://www.irs.gov/retirement-plans/plan-participant-employee/retirement-topics-ira-contribution-limits>
- 3 <https://www.irs.gov/retirement-plans/plan-participant-employee/retirement-topics-catch-up-contributions>
- 4 <https://www.irs.gov/pub/irs-drop/n-22-55.pdf>
- 5 <https://www.irs.gov/retirement-plans/401k-plans-deferrals-and-matching-when-compensation-exceeds-the-annual-limit>
- 6 <https://www.irs.gov/pub/irs-dft/p15--dft.pdf>

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