

2023 Benefit and Contribution Limits

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The IRS recently announced that substantially all of the key retirement plan and health and welfare plan limits will increase next year – some significantly due to higher inflation. [Notice 2022-55](#) (Oct. 21, 2022); [Rev. Proc. 2022-38](#) (Oct. 18, 2022); [Rev. Proc. 2022-24](#) (April 29, 2022). The Social Security Administration and PBGC also recently announced adjustments for the Social Security wage base, PBGC premiums, etc., for next year.

While high inflation rates have wreaked havoc in many sectors, they have generated the largest dollar increase in the limits since indexing based on inflation started in 2007. Higher income participants in 401(k) and similar elective deferral plans are particularly likely to take advantage of the changes.

The chart below reflects the key limits, along with other frequently used benefit and compensation items, for 2023.

Retirement Plan Limit Changes		
	2022	2023
401(k), 403(b), 457(b) and SARSEP Elective Deferrals	\$ 20,500	\$ 22,500
Catch-Up Contributions to 401(k), 403(b) and Governmental 457 Plans	\$ 6,500	\$ 7,500
Elective Contributions to SIMPLE Plans	\$ 14,000	\$ 15,500
Catch-Up Contributions to SIMPLE Plans	\$ 3,000	\$ 3,500
IRA Contributions	\$ 6,000	\$ 6,500
Catch-Up IRA Contributions	\$1,000	\$1,000
Annual Limitation on Compensation	\$305,000	\$330,000

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Retirement Plan Limit Changes		
	2022	2023
415 Limitation on DB Benefits	\$245,000	\$265,000
415 Limitation on DC Plan Contributions	\$61,000	\$66,000
Highly Compensated Employee Threshold	\$135,000	\$150,000
Key Employee Compensation Threshold	\$200,000	\$215,000
Social Security Wage Base	\$147,000	\$160,200
PBGC Flat-Rate Premium (Single Employer Plans)	\$88	\$96
PBGC Variable-Rate Premium (Single Employer Plans)	\$48/\$1,000 UVBs	\$52/\$1,000 UVBs

Health Plan Limit Changes		
	2022	2023
HSA Contributions	\$3,650 for self-only coverage/ \$7,300 for family coverage	\$3,850 for self-only coverage/ \$7,750 for family coverage
HSA-Compatible HDHP Deductible	\$1,400 for self-only coverage/\$2,800 for family coverage	\$1,500 for self-only coverage/ \$3,000 for family coverage
Health FSA Salary Reductions	\$2,850	\$3,050
Monthly Qualified Transportation Fringe Benefit Exclusion	\$280	\$300
Maximum Unused FSA Carryover	\$570	\$610



Health Plan Limit Changes		
	2022	2023
Maximum Exclusion for Qualified Adoption Expenses from a Qualified Adoption Assistance Program	\$14,890	\$15,950
Maximum Employer Contributions to an Excepted Benefit HRA	\$1,800	\$1,950

There are also increases in various AGI phase-out ranges for IRA deductions, Roth IRA eligibility, and the Saver's Credit, for example. See [Notice 2022-55](#).

