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Retirement Plan Limits For 2023

Cost-Of-Living Adjustments (COLAs) have been announced for applicable limits regarding retirement plans for the 2023 tax year. A comparison of the new 2023 and the 2022 limits are as follows:

	<u>2023</u>	<u>2022</u>
Defined Benefit Plans		
Maximum Annual Benefit <i>IRC 415(b)(1)(A)</i>	\$265,000	\$245,000
Defined Contribution Plans		
Annual Addition Limit <i>IRC 415(c)(1)(A)</i>	\$66,000	\$61,000
Elective Deferral Limit for 401(k)/403(b) <i>IRC 402(g)(1)</i>	\$22,500	\$20,500
Government/Tax Exempt Elective Deferral Limit <i>IRC 457(e)(15)</i>	\$22,500	\$20,500
“Catch-Up” Limits for 401(k)/403(b)/governmental 457 <i>IRC 414(v)(2)(B)(i)</i>	\$7,500	\$6,500
All Plans		
Annual Compensation Limit <i>IRC 401(a)(17)</i>	\$330,000	\$305,000
Highly Compensated Employee (HCE) Compensation <i>IRC 414(q)(1)(B)</i>	\$150,000	\$135,000
Key Employee Officer Compensation <i>IRC 416(i)(1)(A)(i)</i>	\$215,000	\$200,000
Simplified Employee Pensions (SEPs)		
Minimum Compensation <i>IRC 408(k)(2)(C)</i>	\$750	\$650
Maximum Compensation <i>IRC 408(k)(3)(C)</i>	\$330,000	\$305,000
SIMPLE Employee Contribution Limit <i>IRC 408(p)(2)(E)</i>	\$15,500	\$14,000
SIMPLE “Catch-Up” Deferral Limit <i>IRC 414(v)(2)(B)(ii)</i>	\$3,500	\$3,000
Social Security		
Social Security Taxable Wage Base	\$160,200	\$147,000
Maximum earnings in years prior to full retirement without reduction in benefits	\$21,240	\$19,560
Maximum earnings the year of full retirement without reduction in benefits	\$56,520	\$51,960
Cost of living adjustment	8.70%	5.90%

<https://www.irs.gov/pub/irs-drop/n-22-55.pdf>
<https://www.ssa.gov/news/press/factsheets/colafacts2023.pdf>

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