

MRP MRP Plans

On October 21, 2022, the Internal Revenue Service (IRS) announced cost of living adjustments affecting dollar limitations for pension plans and other retirement-related items for tax year 2023.

There are eight significant changes that will take place for 2023:

- Annual elective deferrals limits for 401(k), 403(b) and 457 plans will increase from \$20,500 to \$22,500
- The Catch-up Contribution limit will increase from \$6,500 to \$7,500
- Annual defined contribution limit will increase from \$61,000 to \$66,000
- Defined Benefit maximum benefit limit will increase from \$245,000 to \$265,000
- Annual compensation limit will increase from \$305,000 to \$330,000
- Highly Compensated Employee limit will increase from \$135,000 to \$150,000
- Top Heavy Key Employee limit will increase from \$200,000 to \$215,000
- Social Security Wage Base limit will increase from \$147,000 to \$160,200

COLA Increases for Dollar Limitations on Benefits and Contributions

	2023	2022	2021	2020
401(k), 403(b) and 457(b) Elective Deferrals	\$22,500	\$20,500	\$19,500	\$19,500
Age 50 Catch-Up Contributions	\$7,500	\$6,500	\$6,500	\$6,500
Annual Contributions to DC Plans	\$66,000	\$61,000	\$58,000	\$56,000
Annual Benefits from DB Plans	\$265,000	\$245,000	\$230,000	\$230,000
Annual Compensation Limit	\$330,000	\$305,000	\$290,000	\$285,000
Highly Compensated Employee (HCE)	\$150,000	\$135,000	\$130,000	\$130,000
Top Heavy Key Employee – Officer Test	\$215,000	\$200,000	\$185,000	\$185,000
Social Security Taxable Wage Base	\$160,200	\$147,000	\$142,800	\$137,700

For more information about retirement plan limits, please visit www.irs.gov/Retirement-Plans

MRP Plans Inc.
www.mrpplans.com
Call 609-689-9400

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