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2023 Limits for Traditional IRAs, Roth IRAs, Employer Retirement Accounts and ESAs

Limits for IRAs and Other Retirement Plans		
Contribution Limits if you are under age 50 at year-end		
Traditional IRA and/or Roth IRA	\$6,500	
401(k), 403(b), TSP salary deferral	\$22,500	
Government 457(b) plans salary deferral	\$22,500	
SIMPLE IRA salary deferral	\$15,500	
SIMPLE 401(k) salary deferral	\$15,500	
Defined Contribution plans and SEP IRAs	\$66,000	
Defined Benefit plans limitation on the annual benefit	\$265,000	
Catch-up contribution if you are at least age 50 at year end		
Traditional IRA and/or Roth IRA	\$1,000	
401(k), 403(b), TSP	\$7,500	
457(b) plans	\$7,500	
SIMPLE IRA salary deferral	\$3,500	
SIMPLE 401(k) salary deferral	\$3,500	
Other Limits for Retirement Plans		
IRA bankruptcy exemption (2019)	\$1,512,350	
Compensation cap	\$330,000	
Minimum SEP Compensation	\$750	
Dollar limitation for defining HCE	\$150,000	
Dollar limitation for defining a key employee	\$215,000	
Maximum ESOP amount under code 409(o)(1)(C)(ii)	\$1,330,000	
ESOP dollar limit for lengthening 5-year period	\$265,000	
Compensation limit for government plans	\$490,000	
Education Savings Account Limits		
Coverdell Contribution Limit	\$2,000	
Filing Status	MAGI	Allowed Contribution
Single	\$95,000 or less	100%
	\$95,000 to \$110,000	Partial
	\$110,000 or more	None
Married Filing Jointly	\$190,000 or less	100%
	\$190,000 to \$220,000	Partial
	\$220,000 or more	None

MAGI limits for deducting contributions to Traditional IRAs		
Tax Filing Status	MAGI	Allowed deduction
Single or Head of Household	\$73,000 or less	100%
	\$73,000 to \$83,000	Partial
	\$83,000 or more	None
Married filing jointly or a qualifying widower, and covered under an employer sponsored retirement plan	\$116,000 or less	100%
	\$116,000 to \$136,000	Partial
	\$136,000 or more	None
Married filing jointly. Not covered under an employer sponsored retirement plan, but spouse is covered	\$218,000 or less	100%
	\$218,000 to \$228,000	Partial
	\$228,000 or more	None
Married filing separately	Less than \$10,000	Partial
	\$10,000 or more	None

MAGI limits for contributing to a Roth IRA		
Tax Filing Status	MAGI	Allowed Contribution
Single	\$138,000 or less	100%
	\$138,000 to \$153,000	Partial
	\$153,000 or more	None
Married filing jointly	\$218,000 or less	100%
	\$218,000 to \$228,000	Partial
	\$228,000 or more	None
Married filing separately	Less than \$10,000	Partial
	\$10,000 or more	None

AGI limits for eligibility for savers credit - salary deferral and IRA/Roth IRA contributions						
Credit Rate	Married, filing jointly		Head of household		Single	
	Over	Not Over	Over	Not Over	Over	Not Over
50%	\$0.00	\$43,500	\$0.00	\$32,625	\$0.00	\$21,750
20%	\$43,501	\$47,500	\$32,626	\$35,625	\$21,751	\$23,750
10%	\$47,501	\$73,000	\$35,626	\$54,750	\$23,751	\$36,500
0%	\$73,000		\$54,750		\$36,500	

Uniform Lifetime Table

The Uniform Lifetime Table can be used by all IRA owners, unless their sole beneficiary for the entire year is their spouse who is more than 10 years younger. In that case, the regular Joint Life Expectancy Table is used, which could reduce the MRD even further. Note: If you are taking MRDs from an inherited IRA, the formula, example, and table below are not applicable. This table can also be used to determine the distribution period for accounts under defined contribution plans such as 401(k), 403(b)s, and 457(b)s.

Your Age	Your Distribution Period	Your Age	Your Distribution Period
70	27.4	93	9.6
71	26.5	94	9.1
72	25.6	95	8.6
73	24.7	96	8.1
74	23.8	97	7.6
75	22.9	98	7.1
76	22	99	6.7
77	21.2	100	6.3
78	20.3	101	5.9
79	19.5	102	5.5
80	18.7	103	5.2
81	17.9	104	4.9
82	17.1	105	4.5
83	16.3	106	4.2
84	15.5	107	3.9
85	14.8	108	3.7
86	14.1	109	3.4
87	13.4	110	3.1
88	12.7	111	2.9
89	12	112	2.6
90	11.4	113	2.4
91	10.8	114	2.1
92	10.2	115	1.9

To calculate MRDs, use the following formula for each account:

$$\frac{\text{Account Balance as of December 31 of the prior year (adjusted if necessary, for any rollovers or transfer in process on 12/31 of the prior year)}}{\text{Factor from the Uniform Lifetime Table (use the divisor that corresponds to the age the account owner attained in the MRD year)}}$$

Example:

Account balance as of Dec 31 of the prior year: \$100,000
 IRA owner's attained age in MRD year: 72
 MRD Divisor = \$100,000 / 25.6 = \$3,906.25

Note: If you withdraw less than your RMD, you may owe the IRS an excess accumulation penalty of 50% of your RMD shortfall

Age Related Rules for your Retirement Account

Age 50: You can make catch-up contributions to retirement accounts

Age 55: Your distributions from non-IRAs after you separate from service with the employer of the retir Telephone: 404-348-4825 from service in the year you reach age 55 or later

Age 59 1/2: Distributions taken from your retirement accounts before age 59 1/2 are subject to a 10% early distribution penalty, unless any of the following exceptions apply <https://bellfm.com>

Exceptions	For Traditional IRAs	For Roth IRAs	For Qualified plans 403(b) 457 (b)
Death	Y	Y	Y
Disability	Y	Y	Y
Basis	Y	Y	Y
IRS Levy	Y	Y	Y
Qualified reservist distribution	Y	Y	Y
Unreimbursed medical expenses	Y	Y	Y
72(t) Payments	Y	Y	Y
First-Time Homebuyer	Y	Y	N
Higher Education Expenses	Y	Y	N
Roth conversion	Y	N/A	Y
Qualified distribution from a Roth IRA or 401(k)/403(b)/457(b)	N/A	Y	Y
Health Insurance Premiums	Y	Y	N
QDRO	N	N	Y
Reduced to Age 55*	N	N	Y
ESOP Dividend	N	N	Y
P.S. 58 Costs	N	N	Y
Certain corrective distribution of excess contributions	Y	Y	Y

Specific requirements must be met in order for some exceptions to apply
 *The age 55 exception is reduced to age 50 in some cases

Age 70 1/2: You must generally begin RMDs for the year in which you reach this age. Exceptions apply

