



## 2022 Defined Contribution Plan Limits

In IRS Notice 2021-60, the IRS highlighted the following adjustments taking effect on January 1, 2022, for 401(k), 403(b) and most 457 plans:

Defined Contribution Plan Limits	2022	2021	2020	Change
Maximum employee elective deferral (401(k), 403(b), 457)	<b>\$20,500</b>	\$19,500	\$19,500	+\$1,000
Employee catch-up contribution (if age 50 or older by year-end)	<b>\$6,500</b>	\$6,500	\$6,500	unchanged
Defined contribution maximum limit, all sources	<b>\$61,000</b>	\$58,000	\$57,000	+\$3,000
Defined contribution maximum limit (if age 50 or older by year end); maximum contribution all sources plus catch-up	<b>\$67,500</b>	\$64,500	\$63,500	+\$3,000
Employee compensation limit for calculating contributions	<b>\$305,000</b>	\$290,000	\$285,000	+\$15,000
Compensation threshold of "key employees" in a top-heavy plan	<b>\$200,000</b>	\$185,000	\$185,000	+\$15,000
Compensation threshold of "highly compensated employees" (HCE threshold)	<b>\$135,000</b>	\$130,000	\$130,000	+\$5,000

"Key employees" and "highly compensated employees" are terms used in the annual compliance testing of a retirement plan.

The \$6,500 catch-up contribution limit for participants age 50 or older applies from the start of the year to those turning 50 at any time during the year.

Source: IRS Notice 2021-60