



2023 Defined Contribution Plan Limits

In IRS Notice 2022-55, the IRS highlighted the following adjustments taking effect on **January 1, 2023**, for 401(k), 403(b) and most 457 plans:

Defined Contribution Plan Limits	2023	2022	2021	Change
Maximum employee elective deferral (401(k), 403(b), 457)	\$22,500	\$20,500	\$19,500	+\$2,000
Employee catch-up contribution (if age 50 or older by year-end)	\$7,500	\$6,500	\$6,500	+\$1,000
Defined contribution maximum limit, all sources	\$66,000	\$61,000	\$58,000	+\$5,000
Defined contribution maximum limit (if age 50 or older by year end); maximum contribution all sources plus catch-up	\$73,500	\$67,500	\$64,500	+\$6,000
Employee compensation limit for calculating contributions	\$330,000	\$305,000	\$290,000	+\$25,000
Compensation threshold of "key employees" in a top-heavy plan	\$215,000	\$200,000	\$185,000	+\$15,000
Compensation threshold of "highly compensated employees" (HCE threshold)	\$150,000	\$135,000	\$130,000	+\$5,000

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

The \$7,500 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 2022-55