



IRS Retirement Plan Limits

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Elective Deferral Limit	22,500	20,500	19,500
Catch-up Contribution for 50+	7,500	6,500	6,500
Simple IRA Employee Deferral Limit	15,500	14,000	13,500
Catch-up Contribution for 50+	3,500	3,000	3,000
Traditional & Roth IRA Contribution	6,500	6,000	6,000
Catch-up Contribution for 50+	1,000	1,000	1,000
Qualified Plan Compensation Limit (Years Beginning)	330,000	305,000	290,000
Roth IRA MAGI limit before phase out (married filing jointly)	218,000	204,000	198,000
Roth IRA MAGI limit before phase out (single and head of household)	138,000	129,000	125,000
Trad IRA MAGI for active part. in qual. plan before phase out (married filing jointly)	116,000	109,000	105,000
Trad IRA MAGI for active part. in qual. plan before phase out (single)	73,000	68,000	66,000
Annual Additions Limit (DC Plans, Years Ending)	66,000	61,000	58,000 ⁽¹⁾
Annual Additions Limit Including Catch-up (DC Plans, Years Ending)	72,500	67,500	64,500 ⁽¹⁾
Annual Benefit Limit (DB Plans, Years Ending)	265,000	245,000	230,000 ⁽²⁾

⁽¹⁾ Lesser of annual addition limit or 100% of eligible compensation

⁽²⁾ Reduce for NRA <62, increased for NRA >65

Other Dollar Limits

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Taxable Wage Base (SS = 6.20% Medicare = 1.45%)	160,200	147,000	142,800
Highly Compensated EE (Look back Year)	150,000	135,000	130,000
Annual Officer Compensation Limit for Key EE	215,000	200,000	185,000
Compensation Minimum for SEP Coverage	750	650	650

Other Useful Information

Top Heavy Rules - A plan, including a 401(k) plan, is top heavy if more than 60% of the plan's benefits are allocated to key employees.

A key employee is anyone who is 1) a more than 5% owner, 2) any officer with compensation in excess of \$215,000 (*as indexed above*), or 3) a more than 1% owner with compensation in excess of \$150,000. Once a plan becomes top heavy specific minimum benefits and minimum vesting must be provided to all eligible non-key employees.

Hardship Withdrawal Criteria -

- 1) Medical expenses of employee (EE), spouse or dependents.
- 2) Purchase of EE's principal residence.
- 3) Payment of tuition and related education costs for next 12 months for EE, spouse or dependents.
- 4) To prevent eviction or foreclosure of EE from principal residence.
- 5) Funeral or burial expenses for EE's parents, spouse or dependents.
- 6) Expenses for repair of EE's principal residence qualifying as casualty deduction.