



IRS Announces 2023 Pension Plan Limitations

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The Internal Revenue Service announced its annual update to dollar limitations for pension and other retirement plans for tax year 2023. Some of the retirement plan-related limitations are changing because the annual cost-of-living increase met the statutory threshold that triggers their adjustment. The table below provides a few highlights.

RETIREMENT PLAN LIMITS	2023	2022	2021
Elective contribution limit for 401(k), 403(b), and most 457 plans	\$22,500	\$20,500	\$19,500
Catch-up contribution limit for 401(k), 403(b), and most 457 plans (employees over the age of 50)	\$7,500	\$6,500	\$6,500
Defined contribution limit under Section 415(c)(1)(A)	\$66,000	\$61,000	\$58,000
Annual compensation limit under Sections 401(a)(17), 404(1), 408(k)(3)(C), and 408(k)(6)(D)(ii)	\$330,000	\$305,000	\$290,000
Annual compensation limit for highly compensated employees	\$150,000	\$135,000	\$130,000

Source: IRS.gov

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