

2022/2023 dollar limitations for retirement plans



Wealth Management

Some new limitations will apply to retirement plans and other benefit plans in 2023 as a result of cost-of-living adjustments made by the IRS and the Social Security Administration. The limits for 2023, as well as the 2022 limits, are as follows:

Account Types		2022 Limit	2023 Limit
IRA	Traditional and Roth IRA contribution limit	\$6,000	\$6,500
	Catch-up limit for individuals age 50 and older	\$1,000	\$1,000
SIMPLE IRA	Elective deferral limit	\$14,000	\$15,500
	Catch-up limit for individuals age 50 and older	\$3,000	\$3,500
	Maximum employer match (\$1 for \$1 match on the first 3% of employee compensation deferred).	\$14,000	\$15,500
	Maximum employer non-elective contribution (2% of employee's compensation, up to \$305k in 2022 and \$330k in 2023)	\$6,100	\$6,600
	Catch-up deferral is also matched by employer if individual is age 50 or older.	\$3,000	\$3,500
SEP IRA	Maximum SEP contribution	\$61,000	\$66,000
	SEP compensation exclusion	\$650	\$750
401(k), SARSEP, 403(b) and Governmental 457(b)	Elective deferral limit	\$20,500	\$22,500
	Catch-up limit for individuals age 50 and older	\$6,500	\$7,500
Profit Sharing, 401(k) and Money Purchase Pension	Defined contribution limit (415(c) limit)	\$61,000	\$66,000
Profit Sharing, 401(k), SEP and Money Purchase Pension	Employee annual compensation limit	\$305,000	\$330,000
401(k), SARSEP, 403(b) and Governmental 457(b)	Highly compensated employee limit (no requirement for 5% owner)	\$135,000	\$150,000
Profit Sharing, 401(k) and Money Purchase Pension	Top-heavy plan key employee compensation limit	\$200,000	\$215,000
Defined Benefit	Maximum annual benefit at retirement	\$245,000	\$265,000

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Modified Adjusted Gross Income (MAGI) phase-out ranges for traditional IRA deduction when taxpayer is covered by a retirement plan at work		
Filing status	2022 Limit	2023 Limit
Single or head of household	\$68,000–\$78,000	\$73,000–\$83,000
Married filing jointly	\$109,000–\$129,000	\$116,000–\$136,000
Married filing jointly for non-covered spouse with a spouse who is an active participant	\$204,000–\$214,000	\$218,000–\$228,000
MAGI phase-out ranges for Roth IRA annual contributions		
Filing status	2022	2023
Single or head of household	\$129,000–\$144,000	\$138,000–\$153,000
Married filing jointly	\$204,000–\$214,000	\$218,000–\$228,000
Social Security		
	2022	2023
Social Security taxable wage base	\$147,000	\$160,200
Maximum earnings for individuals under normal retirement age before Social Security benefits are reduced. One dollar in benefits will be withheld for every \$2 in earnings above the limit.	\$19,560 (\$1,630/mo)	\$21,240 (\$1,770/mo)
Maximum Social Security benefit at Social Security full retirement age	\$3,345	\$3,627
529/Gift Tax Exclusion		
Filing status	2022	2023
Single or head of household	\$16,000	\$17,000
Married filing jointly	\$32,000	\$34,000
Health Savings Accounts (HSAs)		
	2022	2023
Maximum contribution limit	Single	\$3,650
	Family	\$7,300
	Catch-Up (age 55 by the end of the year)	\$1,000
Minimum annual deductible for High Deductible Health Plan (HDHP)	Single	\$1,400
	Family	\$2,800
HDHP maximum out-of-pocket expenses	Single	\$7,050
	Family	\$14,100

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