



2022 RETIREMENT PLAN LIMITS

OVERVIEW

On November 4, 2021, the Internal Revenue Service announced the cost-of-living adjustments affecting dollar limitations for pension plans and other retirement-related items for tax year 2022.

- The 401(k), 403(b), most 457 plans, and the federal government's Thrift Savings Plan contribution limit increases to \$20,500.
- The catch-up contribution limit for employees aged 50 and over remains unchanged at \$6,500.
- The SIMPLE retirement accounts contribution limit increases to \$14,000.
- The IRA contribution limit remains unchanged at \$6,000. The additional catch-up contribution limit for individuals aged 50 and over is not subject to an annual cost-of-living adjustment and remains \$1,000.

COST-OF-LIVING ADJUSTED LIMITS FOR 2022

Plan Limits for Plan Year	2022	2021	2020	2019
401(k), 403(b), 457 Elective Deferral Limit	\$20,500	\$19,500	\$19,500	\$19,000
Catch-Up Contribution Limit	\$6,500	\$6,500	\$6,500	\$6,000
Annual Compensation Limit	\$305,000	\$290,000	\$285,000	\$280,000
Defined Contribution Limit	\$61,000	\$58,000	\$57,000	\$56,000
Defined Benefit Limit	\$245,000	\$230,000	\$230,000	\$225,000
Definition of Highly Compensated Employee	\$135,000	\$130,000	\$130,000	\$125,000
Key Employee	\$200,000	\$185,000	\$185,000	\$180,000
SIMPLE Employee Deferrals	\$14,000	\$13,500	\$13,500	\$13,000
SIMPLE Catch Up Deferrals	\$3,000	\$3,000	\$3,000	\$3,000
SEP Minimum Compensation	\$650	\$650	\$600	\$600
SEP Annual Compensation Limit	\$305,000	\$290,000	\$285,000	\$280,000
IRA Contribution Limit	\$6,000	\$6,000	\$6,000	\$6,000
IRA Catch-Up Contributions	\$1,000	\$1,000	\$1,000	\$1,000
Social Security Wage Base	\$147,000	\$142,800	\$137,700	\$132,900

Source: IRS Notice 2021-61: <https://www.irs.gov/pub/irs-drop/n-21-61.pdf>