

**IRS releases 2023 limits for deferred compensation arrangements and certain welfare plans.**

|   | <b><u>Applicable period</u></b>  | <b><u>2023</u></b>                  | <b><u>2022</u></b>                  | <b><u>2021</u></b>                  |
|---|--|-------------------------------------|-------------------------------------|-------------------------------------|
| Individual deferral limit 401(k), 403(b), and 457(b)                                | Calendar year, regardless of plan year                                   | \$22,500                            | \$20,500                            | \$19,500                            |
| Age 50 Catch-up deferral limit 401(k) and 403(b)                                    | Calendar year, regardless of plan year                                   | \$7,500                             | \$6,500                             | \$6,500                             |
| Maximum compensation  | Generally, limit as of 1 <sup>st</sup> day of plan year. See note below. | \$330,000                           | \$305,000                           | \$290,000                           |
| Highly compensated employee   | Plan year based on “lookback” year. See note below.                      | \$150,000                           | \$135,000                           | \$130,000                           |
| Key employee (officer)  | Plan year. See note below  | \$215,000                           | \$200,000                           | \$185,000                           |
| Defined contribution 415 limit  | Use limit as of last day of plan year                                    | \$66,000                            | \$61,000                            | \$58,000                            |
| Defined benefit 415 limit   | Use limit as of last day of plan year                                    | \$265,000                           | \$245,000                           | \$230,000                           |
| Healthcare flexible spending  | Use limit as of 1st day of plan year                                     | \$3,050                             | \$2,850                             | \$2,750                             |
| HSA contribution limits:<br>Self-only<br>Family                                     | Calendar year  | \$3,850<br>\$7,750                  | \$3,650<br>\$7,300                  | \$3,600<br>\$7,200                  |
| High Deductible Health Plan minimums/out of pocket maximums:<br>Self-only<br>Family | Calendar year, regardless of plan year                                   | \$1,500/\$7,500<br>\$3,000/\$15,000 | \$1,400/\$7,050<br>\$2,800/\$14,100 | \$1,400/\$7,000<br>\$2,800/\$14,000 |
| Transportation fringe benefit limit   | Calendar year, regardless of plan year.                                  | \$300/per month                     | \$280/per month                     | \$270 per month                     |
| Social Security (OASDI) taxable wage base   | Calendar year  | \$160,200                           | \$147,000                           | \$142,800                           |

## Notes:

**Maximum compensation:** *Many plans determine compensation for benefit accruals and allocations based on the plan year. These plans must use the annual compensation limit in effect for the calendar year in which the plan year begins. Some plans use a separate 12-consecutive-month period (or sometimes multiple 12-month periods), instead of the plan year. In that case, for each 12-month period used, the plan would apply the limit in effect for each calendar in year in which each 12-month period begins.*

**Lookback year:** *Highly compensated employees (“HCEs”) are determined based on their compensation in a “lookback year.” For a 2023 calendar year plan, HCE status will be based on whether the employee’s 2022 compensation exceeded the 2022 amount of \$135,000. For fiscal year plans, the “lookback year” will either be the previous plan year or, if elected on a consistent basis for all of an employer’s plans, the calendar year ending in the current plan year.*

**Key employees.** *In addition to 5% owners, and 1% owners earning \$150,000 or more, officers earning more than an indexed amount are key employees. **Key employee balances as of the last day of a previous plan year are considered**, with certain distributions, in determining a plan’s top heavy status for a current year.*

A chart with these and other limits, going back to 1989 in some cases, is available at [this link](#).