

**The IRS has announced the 2022 contribution limits and benefits with few changes**



Effective January 1, 2022, the IRS is implementing some retirement contribution and benefits updates. Although there are a few key changes this year, we wanted to share highlights for your benefit.

**Review the accompanying document to compare this year and past years' limits. The retirement limits that have changed include:**

- The elective deferral limit for participants in 401(k) and 403(b) plans will increase to \$20,500.
- The deferral limit for 457(b) plans of state and local governments and tax-exempt organizations will increase to \$20,500.
- An IRA contributor who is not covered by a workplace retirement plan but is married to someone who is, will have the deduction phased out if their combined income is between \$204,000 and \$214,000.
- The AGI phase-out range for married couples filing jointly making Roth IRA contributions is now \$204,000 to \$214,000, and \$129,000 to \$144,000 for singles and heads of households.
- The AGI limit for the Saver's Credit is \$68,000 for married couples filing jointly, \$51,000 for heads of households, and \$34,000 for married couples filing separately and singles.
- The limitation for defined contribution plans increased to \$61,000.
- The dollar amount for determining the maximum account balance in an employee stock ownership plan subject to a five-year distribution period increased to \$1,230,000. The amount that determines the lengthening the five-year distribution period increased to \$245,000.

**The changes regarding compensation and cost-of-living limits include:**

- The annual compensation limit increased to \$305,000.
- The limit for defined contribution plans under 415(c)(1)(A) increased to \$61,000.
- The annual compensation limit for eligible government participants increased to \$450,000.
- The compensation amount for simplified employee pensions (SEPs) remains unchanged at \$650.
- The dollar amount for determining the maximum account balance in an employee stock ownership plan subject to a 5-year distribution period is increased to \$1,230,000.
- The threshold to determine whether a multiemployer plan is systemically important increased to \$1,220,000,000.
- The adjusted gross income limitation for determining the retirement savings contributions credit for all taxpayers increased to \$20,500.
- The deduction for taxpayers making contributions to a traditional IRA is phased out for singles and heads of households who are active participants in a qualified plan and have adjusted gross incomes between \$68,000 and \$78,000, increased from last year.
- The adjusted gross income limitation for determining the maximum Roth IRA contribution for married taxpayers filing joint return or for taxpayers filing as a widower increased to \$204,000.
- The adjusted gross income phase-out range for taxpayers making contributions to a Roth IRA is increased to \$204,000 to \$214,000 for married couples filing jointly.

For a comprehensive list of all limits for 2022, please visit <https://www.irs.gov/pub/irs-drop/n-21-61.pdf>.

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## 2022 IRS Contribution and Benefit Limits

Contribution Limits	2020	2021	2022
Elective Deferral Limit: 401(k), 403(b), 457(b) Plans	\$19,500	\$19,500	\$20,500
Catch-Up Contribution Limit	\$6,500	\$6,500	\$6,500
Elective Deferral Limit: SIMPLE Retirement Plan	\$13,500	\$13,500	\$14,000
Catch-Up Contribution Limit: SIMPLE Retirement Plan	\$3,000	\$3,000	\$3,000
Contribution Limit: IRA	\$6,000	\$6,000	\$6,000
Catch-Up Contribution Limit: IRA	\$1,000	\$1,000	\$1,000

### Benefits and Compensation

Defined Contribution Plan Annual Addition Limit	\$57,000	\$58,000	\$61,000
Defined Benefit Plan Annual Benefit Limit	\$230,000	\$230,000	\$245,000
Annual Compensation Limit	\$285,000	\$290,000	\$305,000
Highly Compensated Employee Limit	\$130,000	\$130,000	\$135,000
Key Employee Compensation Limit	\$185,000	\$185,000	\$200,000

### Social Security/Medicare

Social Security Wage Base	\$137,700	\$142,800	\$147,000
Medicare Wage Base	No Limit	No Limit	No Limit

### Health Savings Accounts

Individual HSA Contribution Limit	\$3,550	\$3,600	\$3,650
Family HSA Contribution Limit	\$7,100	\$7,200	\$7,300

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