

# Know Your Limits

## 2022 Benefit Plan Limits and Thresholds



| ANNUAL BENEFIT PLAN LIMIT COMPARISON CHART  |           | All figures in US \$ dollars |                  |               |
|---|-----------|------------------------------|------------------|---------------|
| Health Savings Accounts (HSAs) and High-Deductible Health Plans (HDHPs)                               |           | 2022                         | 2021             | Change        |
| HSA Contribution Limit (employer + employee)  | Self Only | 3,650                        | 3,600            | 50 ↑          |
|   | Family    | 7,300                        | 7,200            | 100 ↑         |
| HSA Catch-Up Contributions (age 55 or older)  |           | 1,000                        | 1,000            | no change     |
| HDHP Minimum Deductibles  | Self Only | 1,400                        | 1,400            | no change     |
|   | Family    | 2,800                        | 2,800            | no change     |
| HDHP Maximum Out-of-Pocket Amounts*<br>(deductibles, co-payments and other amounts, but not premiums) | Self Only | 7,050 / 8,700*               | 7,000 / 8,550*   | 50 ↑ / 150 ↑  |
|   | Family    | 14,100 / 17,400*             | 14,000 / 17,100* | 100 ↑ / 300 ↑ |

\*Non-Grandfathered Plans Amounts

Source: IRS Revenue Procedure 2021-25.

| Health Flexible Spending Accounts (FSAs) - Includes Limited-Purpose FSAs    |   | 2022  | 2021   | Change   |
|---|---|-------|--------|----------|
| Maximum Salary Deferral   |   | 2,850 | 2,750  | 100 ↑    |
| Maximum Rollover Amount <sup>1</sup>  |   | 570   | 550    | see note |
| Dependent Care FSA (DC-FSA) Annual Pre-Tax Contribution Limits <sup>2</sup> | Single Taxpayers & Married Couples Filing Jointly | 5,000 | 10,500 | 5,500 ↓  |
|   | Married Couples Filing Separately                 | 2,500 | 5,250  | 2,750 ↓  |

<sup>1</sup> Modified by COVID-19 relief to allow full carryover of unused amounts. The Consolidated Appropriations Act, 2021, signed into law at the end of 2020 allows employers that sponsor health FSAs or dependent care FSAs the option of permitting participants to roll over all unused amounts in these accounts from 2020 to 2021 and from 2021 to 2022. IRS Notice 2021-15, issued February 2021, addressed implementation of this relief.

<sup>2</sup> The American Rescue Plan Act, signed into law on March 11, 2021, raised pretax contribution limits for DC-FSAs for calendar year 2021 only.

| Qualified Small Employer Health Reimbursement Arrangements (QSEHRAs) |           | 2022   | 2021   | Change |
|--|-----------|--------|--------|--------|
| Maximum Payments and Reimbursements Through the QSEHRA               | Self Only | 5,450  | 5,300  | 150 ↑  |
|  | Family    | 11,050 | 10,700 | 350 ↑  |

Source: IRS Revenue Procedure 2021-45.

| Social Security (FICA) Payroll Tax   |  | 2022    | 2021    | Change  |
|--|--|---------|---------|---------|
| Maximum Earnings Subject to Social Security 12.4% FICA Payroll Tax<br>(6.2% tax rate paid by employer and by employee) |  | 147,000 | 142,800 | 4,200 ↑ |

Source: The Social Security Administration (SSA)

| Annual Contribution & Benefit Limits  |  | 2022    | 2021    | Change    |
|---|--|---------|---------|-----------|
| Employee Elective Deferral - Section 401(k), 403(b), or 457(b) (age 49 or younger) <sup>1</sup> |  | 20,500  | 19,500  | 1,000 ↑   |
| Employee Catch-Up Contribution (age 50 or older by year-end) <sup>2</sup>                       |  | 6,500   | 6,500   | no change |
| IRA Max Contribution Limit - Section 219(b)(5)(A)   |  | 6,000   | 6,000   | no change |
| IRA Catch-Up Contributions - Section 219(b)(5)(B)   |  | 1,000   | 1,000   | no change |
| SIMPLE Plan Annual Deferral- Section 408(p)(2)(E)   |  | 14,000  | 13,500  | 500 ↑     |
| SIMPLE Plan Catch-Up Contributions - Section 414(v)(2)(B)(i)                                    |  | 3,000   | 3,000   | no change |
| Defined Contribution Max Limit - Section 415(c)(1)(A) (age 49 or younger) <sup>3</sup>          |  | 61,000  | 58,000  | 3,000 ↑   |
| Defined Benefit Max Limit - Section 415(b)(1)(A)  |  | 245,000 | 230,000 | 15,000 ↑  |
| Compensation Amounts  |  | 2022    | 2021    | Change    |
| Annual Compensation Limits - Section 401(a)(17),/404(l), 408(k)(3)(C)                           |  | 305,000 | 290,000 | 15,000 ↑  |
| Grandfathered Governmental Plan Participants  |  | 450,000 | 430,000 | 20,000 ↑  |
| Key Employees' Compensation Threshold for Top-Heavy Plan Testing <sup>4</sup>                   |  | 200,000 | 185,000 | 15,000 ↑  |
| Highly Compensated Employees' Threshold for Nondiscrimination Testing <sup>5</sup>              |  | 135,000 | 130,000 | 5,000 ↑   |
| Small Employer Health Insurance Credit Average Wage Phase-Out                                   |  | 28,700  | 27,800  | 900 ↑     |

<sup>1</sup> The \$20,500 elective deferral limit is also known as the 402(g) limit, after the relevant tax code section. Participants' annual contributions may not exceed 100% of their compensation.

<sup>2</sup> The \$6,500 catch-up contribution limit for participants age 50 or older applies from the start of the year for those turning 50 at any time during the year.

<sup>3</sup> Total contributions from all sources may not exceed 100% of a participant's compensation.

<sup>4</sup> Includes officers of the company sponsoring the plan.

<sup>5</sup> For the 2022 plan year, an employee who earned more than \$135,000 in 2021 is an HCE.

Source: IRS Notice 2021-61.