

# Know Your Limits

## 2023 Benefit Plan Limits and Thresholds



| Annual Benefit Plan Limits Comparison Chart   |   | All figures in US \$ dollars |                        |               |
|---|---|------------------------------|------------------------|---------------|
| Health Savings Accounts (HSAs) and High-Deductible Health Plans (HDHPs)   |   | 2022                         | 2023                   | Change        |
| HSA Contribution Limit <i>(employer + employee)</i>   | Individual  | 3,650                        | 3,850                  | 200 ↑         |
|   | Family  | 7,300                        | 7,750                  | 450 ↑         |
| HSA Catch-Up Contributions <i>(age 55 or older)</i>   |   | 1,000                        | 1,000                  | no change     |
| HDHP Minimum Deductibles  | Individual  | 1,400                        | 1,500                  | 100 ↑         |
|   | Family  | 2,800                        | 3,000                  | 200 ↑         |
| Maximum HDHP Out-of-Pocket Amounts  | Individual/Family                                 | 7,050 / 14,100               | 7,500/ 15,000          | 450 ↑ / 900 ↑ |
| Non-Grandfathered Plans Maximum HDHP Out-of-Pocket Amounts  | Individual/Family                                 | 8,700/17,400                 | 9,100/18,200           | 400 ↑ / 800 ↑ |
|   |   |                              |                        |               |
| Flexible Spending Accounts (FSAs)   |   | 2022                         | 2023                   | Change        |
| Maximum Salary Deferral   |   | 2,850                        | 3,050                  | 200 ↑         |
| Maximum Rollover Amount   |   | 570                          | 610                    | 40 ↑          |
| Dependent Care FSA Annual Pre-Tax Contribution Limits   | Single Taxpayers & Married Couples Filing Jointly | 5,000                        | 5,000                  | no change     |
|   | Married Couples Filing Separately                 | 2,500                        | 2,500                  | no change     |
|   |   |                              |                        |               |
| Commuter Accounts Limits <i>(combined participant and employers)</i>  |   | 2022                         | 2023                   | Change        |
| Transit Account Monthly Pre-Tax Contribution Limit  | Individual/Family                                 | 280                          | 300                    | 20 ↑          |
| Parking Account Monthly Pre-Tax Contribution Limit  | Individual/Family                                 | 280                          | 300                    | 20 ↑          |
|   |   |                              |                        |               |
| Social Security/Medicare Plan Limits  |   | 2022                         | 2023                   | Change        |
| OASDI Taxable Wage Base   |   | 147,000                      | 160,200                | 13,200 ↑      |
| OASDI Tax Rate  |   | 6.2%/6.2%                    | 6.2%/6.2%              | no change     |
| Medicare Tax Rate   |   | 1.45%/1.45% <sup>1</sup>     | 1.45%/1.45%            | no change     |
| Maximum Income Without Reducing Social Security Retirement Benefits   |   | 2022                         | 2023                   | Change        |
| SSRA <sup>2</sup> or Over   |   | no limit                     | no limit               | -             |
| Year Individual Attains SSRA <sup>2</sup>   |   | 51,960/yr. <sup>3</sup>      | 56,520yr. <sup>3</sup> | 4,560 ↑       |
| Under SSRA <sup>2</sup>   |   | 19,560/yr.                   | 21,240/yr.             | 1,680 ↑       |
| <small><sup>1</sup> Employer must withhold additional 0.9% from compensation in excess of \$200,000 (single, head of household with qualifying person, or qualifying widow with dependent child), \$250,000 (married filing jointly), \$125,000 (married filing separate)</small> |   |                              |                        |               |
| <small><sup>2</sup> Social Security Retirement Age (age at which an individual may receive an unreduced monthly benefit)</small>  |   |                              |                        |               |
| <small><sup>3</sup> No limit on earnings beginning the month an individual attains SSRA</small>   |   |                              |                        |               |
| Annual Contribution & Benefit Limits  |   | 2022                         | 2023                   | Change        |
| Employee Elective Deferral - Section 401(k), 403(b), or 457(b) <i>(age 49 or younger)</i>   |   | 20,500                       | 22,500                 | 2,000 ↑       |
| Employee Catch-Up Contribution <i>(age 50 or older by year-end)</i>   |   | 6,500                        | 7,500                  | 1,000 ↑       |
| IRA Max Contribution Limit - Section 219(b)(5)(A)   |   | 6,000                        | 6,500                  | 500 ↑         |
| 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                       | 15,500                 | 1,500 ↑       |
| SIMPLE Plan Catch-Up Contributions - Section 414(v)(2)(B)(i)  |   | 3,000                        | 3,500                  | 500 ↑         |
| Defined Contribution Max Limit - Section 415(c)(1)(A) <i>(age 49 or younger)</i>  |   | 61,000                       | 66,000                 | 5,000 ↑       |
| Defined Benefit Max Limit - Section 415(b)(1)(A)  |   | 245,000                      | 265,000                | 20,000 ↑      |
| Compensation Amounts  |   | 2022                         | 2023                   | Change        |
| Annual Compensation Limits - Section 401(a)(17),/404(l), 408(k)(3)(C)   |   | 305,000                      | 330,000                | 15,000 ↑      |
| Grandfathered Governmental Plan Participants  |   | 450,000                      | 490,000                | 20,000 ↑      |
| Highly Compensated Employees - Any Employee*  |   | 135,000**                    | 150,000**              | 20,000 ↑      |
| Highly Compensated Employees - 5% Owner   |   | no minimum                   | no minimum             | -             |
| Key Employees - Officer   |   | 200,000                      | 215,000                | 15,000 ↑      |
| Key Employees - 1% Owner  |   | 135,000                      | 150,000                | 15,000 ↑      |
| Key Employees - 5% Owner  |   | no minimum                   | no minimum             | -             |
| Small Employer Health Insurance Credit Average Wage Phase-Out   |   | 28,700                       | 30,700                 | 2,000 ↑       |

\*Employer may elect to limit to top-paid 20%

\*\* Due to the look-back rule, applies in determining HCEs during following year.

The Internal Revenue Service (IRS) has released [Notice 2022-55](#), announcing cost-of-living adjustments regarding the 2023 limits for retirement plans and [IRS Rev. Proc. 2022-38](#), announcing cost-of-living adjustments regarding 2022 limits for health and welfare plans. Employers applying these new limits to their plans should consult with their carriers, update their plan documents/SPDs, and notify participants enrolling in the plans as part of open enrollment.