

IRS Announces Record Increases in Benefit Plan Limits for 2023

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The IRS has increased the 2023 contribution and benefit plan limits affecting retirement plans, health FSAs, and other health and fringe benefits by a record amount to account for the impact of inflation.

View our chart detailing the new limits.

2023 CONTRIBUTION LIMITS			
LIMITATION	2023	2022	2021
401(k) and 403(b) Elective Deferral	\$22,500	\$20,500	\$19,500
401(k) and 403(b) Catch-Up (age 50 and older)	\$7,500	\$6,500	\$6,500
457(b)(2) and 457(c)(1) Limits	\$22,500	\$20,500	\$19,500
Defined Benefit Maximum	\$265,000	\$245,000	\$230,000
Defined Contribution Maximum	\$66,000	\$61,000	\$58,000
Annual Compensation Limit	\$330,000	\$305,000	\$290,000
Highly Compensated Employee Threshold	\$150,000	\$135,000	\$130,000
Key Employee Threshold	\$215,000	\$200,000	\$185,000
Social Security Wage Base	\$160,200	\$147,000	\$142,800
IRA Contributions (age 49 and younger)	\$6,500	\$6,000	\$6,000
IRA Contributions (age 50 and older)	\$7,500	\$7,000	\$7,000
Annual HSA Contribution Limit	\$3,850 single \$7,750 family	\$3,650 single \$7,300 family	\$3,600 single \$7,200 family
HSA Catch-up Contribution (age 55 and older)	\$1,000	\$1,000	\$1,000
Annual HDHP Minimum Limit on Deductible Expenses	\$1,500 single \$3,000 family	\$1,400 single \$2,800 family	\$1,400 single \$2,800 family
Annual HDHP Maximum Limit on Out-of-Pocket Expenses	\$7,500 single \$15,000 family	\$7,050 single \$14,100 family	\$7,000 single \$14,000 family
Health Care FSA	\$3,050 per employee	\$2,850 per employee	\$2,750 per employee
Maximum Health Care FSA Carryover	\$610	\$570	Unlimited*
Dependent Care FSA	\$5,000 per household	\$5,000 per household	\$5,000 per household \$10,500 per household optional ARPA increase

* The 2021 Consolidated Appropriations Act permitted unlimited carryovers of health FSA balances into the next plan year for plan years ending in 2021 (and 2020). Any health FSA balances remaining on the last day of the plan years ending in 2022 or 2023 will be subject to the indexed \$570 or \$610 carryover limit, respectively.

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Questions on the impact of the increase in limits for your company or employees should be directed to Employment / Tax Attorney [Rebecca Alperin](#).