

Client Advocate Alert August 2022

Significant increases possible for IRS Limits in 2023

The U.S. government's fiscal year ends on September 30, and initial estimates of changes to 401(k) and other qualified plan limits for 2023 (based on reliable public sources) reveal significant increases. *In fact, a record-setting increase in IRS limits is likely.*

This is an opportunity to review plan designs and optimize plan potential.

If you have any questions, please let us know.

	2022 IRS limits	Estimated 2023 IRS limits	Dollar increase
Category of Annual IRS limits		8 month actual to 5/31/22, 4 months forecast to 9/30/22	8 month actual to 5/31/22, 4 months forecast to 9/30/22
Compensation limit	\$305,000	\$330,000	\$25,000
HCE dollar amount	\$135,000	\$145,000	\$10,000
Employee's elective contributions to savings plans	\$20,500	\$22,000	\$1,500
Employee & employer's combined contributions to savings plans	\$61,000	\$66,000	\$5,000
Catch-up contributions for age 50 and over	\$6,500	\$7,000	\$500
DB annuity at age 65	\$245,000	\$265,000	\$20,000

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