



EJReynolds – 2023 Retirement Plan Limits

Contribution Restrictions	2023	2022	2021	2020	2019
Defined Contribution Maximum Contribution	\$66,000	\$61,000	\$58,000	\$57,000	\$56,000
Defined Benefit Maximum Benefit at Retirement	\$ 265,000	\$245,000	\$230,000	\$230,000	\$225,000
Annual Compensation Limit	\$ 330,000	\$305,000	\$290,000	\$285,000	\$280,000
401(k), 403(b) and 457 Plan Maximum Deferrals	\$ 22,500	\$20,500	\$19,500	\$19,500	\$19,000
401(k), 403(b) and 457 Plan Catch-up Contributions (Age 50 or older)	\$7,500	\$6,500	\$6,500	\$6,500	\$6,000
SIMPLE IRA Maximum Elective Deferrals	\$ 15,500	\$14,000	\$13,500	\$13,500	\$13,000
SIMPLE IRA Catch-up Contributions	\$3,500	\$3,000	\$3,000	\$3,000	\$3,000
IRA Maximum Contribution	\$6,500	\$6,000	\$6,000	\$6,000	\$6,000
IRA Catch-up Contribution	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
Highly Compensated Employee – prior year compensation or a more than 5% Owner	\$ 150,000	\$135,000	\$130,000	\$130,000	\$125,000
Social Security Wage Base	\$ 160,200	\$147,000	\$142,800	\$137,700	\$132,900

Recurring Deadlines:

Activity	Due Date
Remittance of Employee Deferrals and Loan Repayments	Small Plans: within 7 business days from payroll date; otherwise, as soon as administratively feasible
Employer Contributions must be postmarked for deposit or actually deposited by	The due date of the corporate or partnership tax return, including extensions
Corrective distributions for failed ADP/ACP test (to avoid 10% Employer excise tax)	Distributions must be made no later than 2 ½ months after the plan year end
Corrective distributions for failed ADP/ACP test for plans where participants are automatically enrolled and certain other requirements are satisfied (to avoid 10% Employer excise tax)	Distributions must be made no later than 6 months after the plan year end
Corrective distributions of excess deferrals	April 15th
Annual IRS Form 5500 filing	Last day of the 7th month after the plan year end or may be extended for an additional 2 ½ months
Distribution of Summary Annual Report	Last day of the 9th month after the plan year end
Distribution of Summary Plan Description	Within 90 days after becoming a plan participant
Distribution of Safe Harbor Notice	At least 30 days (not more than 90 days) prior to the first day of the plan year utilizing the Safe Harbor provision
Distribution of Qualified Default Investment Alternative (QDIA) Notice	Initially, at least 30 days prior to the date of initial eligibility or 30 days in advance of the first investment in the QDIA. Additionally, defaulted participants must be given an annual notice at least 30 days (not more than 90 days) before each subsequent plan year.
Distribution of Annual Notice of Fees for Participant Self-directed Accounts (404a-5 Fee Disclosures)	Initially, at least 30 days prior to a participant's first investment, then annually thereafter. Any changes to the fees must be disclosed 30 days prior to the effect of such change.

Compliance Update – October 2022

The Internal Revenue Service publishes, on a yearly basis, certain Pension Plan Limitations for the coming year. We have outlined the most commonly applied limits for your reference.

Maximum Defined Contribution Annual Additions Limit:

In a Defined Contribution Plan, which includes Profit Sharing and 401(k) Plans, the Internal Revenue Code sets limits on contributions made to a participant's account. The Code uses the term "annual additions" which represents both employee and employer contributions as well as reallocated forfeitures. Effective January 1, 2023, the annual dollar limit for defined contribution plans is the lesser of 100% of compensation or \$66,000.

Maximum Defined Benefit Limit:

Ultimate benefit that may be funded for at retirement. Effective January 1, 2023, the annual dollar benefit under a defined benefit pension plan is the lesser of 100% of compensation or \$265,000.

Annual Compensation Limit:

Effective January 1, 2023, the annual compensation limit is \$330,000. Compensation in excess of the limit will be disregarded for all computation purposes.

Key Employee defined for Top Heavy determination:

1. A 5% owner, without regard to compensation, or
2. 1% owner whose annual compensation is over \$150,000, or
3. Officers with annual compensation in excess of \$215,000.

Highly Compensated Employee (HCE) defined for 401(k) / 401(m) testing:

1. A 5% owner of an Employer or an Affiliate in the current or the immediately preceding plan year, or
2. Any employee earning more than \$135,000 in 2022 (\$150,000 for 2023)
3. Constructive ownership rules apply attributing ownership to spouses and lineal ascendants and descendants (parents, grandparents, children and grandchildren) of the owner in both of the above employee definitions.

Maximum Limit on 401(k) Elective Deferral Contributions:

A participant's elective deferral contributions under all 401(k) plans in which he or she participates during any taxable year is \$22,500 for the 2023 Calendar Year. 401(k) plans may permit participants who have reached age 50 by the end of the plan year to make annual catch-up contributions once the annual dollar limit or a plan-imposed limit on elective deferrals has been reached. For calendar year 2023, the limit is \$7,500.

Maximum Limit on SIMPLE 401(k) or SIMPLE IRA Deferral Contributions:

A participant's elective deferral contributions under a SIMPLE 401(k) plan or SIMPLE IRA account in which he or she participates during the year is \$15,500 for the 2023 Calendar Year. Participants who have reached age 50 by the end of the plan year to make annual catch-up contributions once the annual dollar limit or a plan-imposed limit on elective deferrals has been reached. For calendar year 2023, the limit is \$3,500.

Taxable Wage Base:

The Taxable Wage Base for 2023 is \$160,200.



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WHERE IS YOUR COMFORT PLACE?
EJR CAN HELP YOU GET THERE.

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