



# 2023 Retirement Plan and Social Security Limits Overview

To help you stay informed of changes to retirement plan and Social Security limits, use this quick-reference sheet. Note: This sheet applies only to federal tax laws for the tax year 2023 and not to state tax laws. Information is current as of January 1, 2023.

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## Employee Benefits and IRAs

Defined Benefit Plans Limit (Q 3868)	\$265,000 or 100% of pay from highest 3 years of service
Defined Contribution Plans Limit (Q 3728)	\$66,000 or 100% of pay
Elective Deferral Limit for 401(k), 403(b), SAR-SEPS & 457(b) Plans (Qs 3705, 3760)	\$22,500
Catch-up for 401(k), 403(b), SAR-SEPs, 457(b) Plans (Qs 3705, 3761)	\$7,500
Elective Deferral Limit for SIMPLE IRAs and SIMPLE 401(k) Plans (Qs 3706, 3760)	\$15,500
Catch-up for SIMPLE IRAs and SIMPLE 401(k) Plans (Qs 3706, 3760)	\$3,500
Min. Compensation Amount for SEPs (Q 3701)	\$750
Maximum Compensation Amount for VEBAs, SEPs, 403(b) and Qualified Plans (Qs 3867, 3927)	\$330,000
Highly Compensated Employee Definition (Q 3930)	\$150,000, or is 5% owner at any time during look-back year
ESOP Payout Limits (Q 3819)	\$265,000, \$1,330,000
Contribution Limit for Traditional & Roth IRAs	\$6,500
Catch-up for Traditional & Roth IRAs (Qs 3656, 3659)	\$1,000

## IRA Contribution—Income Phaseout Ranges

### Traditional IRA Deductible Contributions (Q 3657)

#### Active Participant

Married Filing Joint (active spouse)	\$116,000-\$136,000
Married Filing Joint (nonactive spouse)	\$218,000-\$228,000
Married Filing Separate	\$0-\$10,000
All Other	\$73,000-\$83,000

#### Roth IRA Contributions (Q 3659)

Married Filing Joint	\$218,000-\$228,000
Married Filing Separate	\$0-\$10,000
All Other	\$138,000-\$153,000

## Social Security

OASDI Earnings Base	\$160,200
OASDI Rate (employee and employer)	6.2%
HI (Medicare) Rate (each)	1.45%
Earnings Test—Under FRA	\$21,240
Earnings Test—Reach FRA	\$56,520

#### Average Benefits

All Retired Workers	\$1,827
All Disabled Workers	\$1,483
Aged Couple	\$2,972
Widowed Parent and 2 Children	\$3,520
Aged Widow(er) Only	\$1,704
Disabled Worker, Spouse, and Child(ren)	\$2,616

#### Portion of SS Benefits Taxable where MAGI Exceeds Limits

Married—Joint	50%	\$32,000
	85%	\$44,000
Married—Separate	50%	\$0
	85%	\$0
All Other	50%	\$25,000
	85%	\$34,000

# Required Minimum Distribution (RMD)

**Calculate RMD** by dividing the account balance at the end of the prior year by the RMD factor for the current year. If assets are invested in a deferred annuity, the actuarial present value of additional benefits (if applicable) should be added to the contract value before dividing by the RMD factor.

**Required beginning date (RBD)** is generally April 1 of the year after reaching age 73 (or the year of retirement, if later, in the case of some qualified plans). Distributions are not required from a Roth IRA until after the death of the owner. The Roth owner is always treated as dying before the RBD. (For more information refer to IRS Publication 590-B, IRAs).

## Lifetime Distributions

Generally, use the Uniform Lifetime table. If the spouse is the sole designated beneficiary and more than 10 years younger, use the Joint Life and Last Survivor Expectancy table (IRS Publication 590-B).

## Distributions after Death of Owner

Under the SECURE Act, there are three “categories” of beneficiaries, each with their own payout rules:

<b>Not a Designated Beneficiary:</b>	
Participant's estate	5-year rule if participant dies before RBD, participant's remaining life expectancy if participant dies after RBD
Charity	
Non-see-through trust	
<b>Designated Beneficiary:</b>	
Individual	Must withdraw benefits within 10 years of participant's death
See-through trust	
<b>“Eligible” Designated Beneficiary:</b>	
Participant's spouse	Payout over beneficiary's life expectancy
Participant's minor child	
Disabled/Chronically ill beneficiary	
Beneficiary <10 years younger than participant	

# RMD Tables

Uniform Lifetime			Single Life Expectancy			
Age	Factor	%	Age	Factor	Age	Factor
72	27.4	3.7	0	84.6	60	27.1
73	26.5	3.8	1	83.7	61	26.2
74	25.5	3.9	2	82.8	62	25.4
75	24.6	4.1	3	81.8	63	24.5
76	23.7	4.2	4	80.8	64	23.7
77	22.9	4.4	5	79.8	65	22.9
78	22.0	4.6	6	78.8	66	22.0
79	21.1	4.7	7	77.9	67	21.2
80	20.2	5.0	8	76.9	68	20.4
81	19.4	5.2	9	75.9	69	19.6
82	18.5	5.4	10	74.9	70	18.8
83	17.7	5.7	11	73.9	71	18.0
84	16.8	6.0	12	72.9	72	17.2
85	16.0	6.3	13	71.9	73	16.4
86	15.2	6.6	14	70.9	74	15.6
87	14.4	7.0	15	69.9	75	14.8
88	13.7	7.3	16	69.0	76	14.1
89	12.9	7.8	17	68.0	77	13.3
90	12.2	8.2	18	67.0	78	12.6
91	11.5	8.8	19	66.0	79	11.9
92	10.8	9.3	20	65.0	80	11.2
93	10.1	10.0	21	64.1	81	10.5
94	9.5	10.5	22	63.1	82	9.9
95	8.9	11.2	23	62.1	83	9.3
96	8.4	12.0	24	61.1	84	8.7
97	7.8	12.8	25	60.2	85	8.1
98	7.3	13.7	26	59.2	86	7.6
99	6.8	14.7	27	58.2	87	7.1
100	6.4	15.6	28	57.3	88	6.6
101	6.0	17.0	29	56.3	89	6.1
102	5.6	17.9	30	55.3	90	5.7
103	5.2	19.2	31	54.4	91	5.3
104	4.9	20.4	32	53.4	92	4.9
105	4.6	21.7	33	52.5	93	4.6
106	4.3	23.3	34	51.5	94	4.3
107	4.1	24.4	35	50.5	95	4.0
108	3.9	25.7	36	49.6	96	3.7
109	3.7	27.0	37	48.6	97	3.4
110	3.5	28.6	38	47.7	98	3.2
111	3.4	29.4	39	46.7	99	3.0
112	3.3	30.3	40	45.7	100	2.8
113	3.1	32.3	41	44.8	101	2.6
114	3.0	33.3	42	43.8	102	2.5
115	2.9	34.5	43	42.9	103	2.3
116	2.8	35.7	44	41.9	104	2.2
117	2.7	37.0	45	41.0	105	2.1
118	2.5	40.0	46	40.0	106	2.1
119	2.3	43.8	47	39.0	107	2.1
120+	2.0	50.0	48	38.1	108	2.0
			49	37.1	109	2.0
			50	36.2	110	2.0
			51	35.3	111	2.0
			52	34.3	112	2.0
			53	33.4	113	1.9
			54	32.5	114	1.9
			55	31.6	115	1.8
			56	30.6	116	1.8
			57	29.8	117	1.6
			58	28.9	118	1.4
			59	28.0	119	1.1
					120+	1.0

Q numbers reference questions in *2023 Tax Facts on Insurance and Employee Benefits*.