

RETIREMENT CONTRIBUTIONS IN 2023

2023 brought on new contribution limits and more opportunities for your clients to save for retirement. Here's what you need to know.

Did you know that the retirement plan contribution and IRA contribution limits changed in 2023? There is still time to help clients make their 2022 contributions.

What are the Limits?

- IRA/Roth IRA contribution limit: \$6,500
- IRA/Roth IRA catch-up for those ages 50 and older: \$1,000
- SIMPLE IRA deferral limit: \$15,500
- SIMPLE IRA catch-up: \$3,500
- SEP-IRA contribution limit: \$66,000

What are the Income Limits to Deduct IRA Contributions?

2022

- \$68,000 to \$78,000: Single taxpayers covered by a workplace retirement plan.
- \$109,000 to \$129,000: Married Filing Jointly. This applies when the spouse making the IRA contribution is covered by a workplace retirement plan.
- \$204,000 to \$214,000: A taxpayer not covered by a workplace retirement plan married to someone who's covered.
- \$0 to \$10,000: Married Filing Separately. This applies to taxpayers covered by a workplace retirement plan.

2023

- \$73,000 to \$83,000: Single taxpayers covered by a workplace retirement plan.
- \$116,000 to \$136,000: Married Filing Jointly. This applies when the spouse making the IRA contribution is covered by a workplace retirement plan.
- \$218,000 to \$228,000: A taxpayer not covered by a workplace retirement plan married to someone who's covered.
- \$0 to \$10,000: Married Filing Separately. This applies to taxpayers covered by a workplace retirement plan.
- \$61,000 to \$66,000: SEP-IRA contribution limit.

What are the Due Dates for 2022 Contributions?

- IRA: Tax-filing deadline, not including extensions is, [April 18, 2023](#).
- SEP-IRA: Tax-filing deadline including extensions timely filed is October 15, 2023.

How Can Clients Make an IRA Contribution for Last Year?

Send it to the IRA custodian prior to the tax-filing deadline (April 18, 2023) and note that it is for a 2022 contribution. Note that if it is a SEP-IRA contribution, the custodian doesn't report the tax year to the IRS—only the contribution year. The taxpayer is responsible for reporting the contribution year.

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Reach Out Today

Be sure to contact your clients and ensure they have made the most of their IRA contributions as well as spousal IRA contributions, if eligible. Additionally, you can discuss whether or not they might be better off making a Roth versus a traditional IRA contribution. Contributing is important. Here are two tips for maximizing the benefit:

1. Review whether a Roth IRA may be a better option long term. Tax-free retirement income can help retirees manage taxes.
2. Make a retirement gift to a young adult or student by making a Roth or traditional IRA contribution on his/her behalf, assuming the person has the requisite earned income. Match their earned income up to the Roth IRA contribution limit.

Additional Resources and Links

[Insights Blogs – IRAs](#)

[2023 Retirement Plan & Social Security Limits](#)

[2023 Federal Tax Amounts & Limits](#)

For more information about retirement planning, please contact our Retirement Strategies Group at RSG@PacificLife.com or (800) 722-2333, ext. 3939.
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