

The IRS Has Announced 2022 Retirement Plan Contribution and Benefit Limits

Plan Adviser, November 4, 2021

The IRS has announced contribution and benefit limits for qualified retirement plans for 2022.

The contribution limit for employees who participate in 401(k), 403(b) and most 457 plans, as well as the federal government's Thrift Savings Plan will increase to \$20,500, up from \$19,500 in 2021.

The catch-up contribution limit for employees aged 50 and over who participate in 401(k)s, 403(b)s, most 457 plans and the federal government's Thrift Savings Plan remains unchanged at \$6,500.

The limitation regarding SIMPLE [savings incentive match plan for employees] retirement accounts will increase from \$13,500 to \$14,000.

The limit on annual contributions to an individual retirement account (IRA) remains unchanged at \$6,000. The additional catch-up contribution limit for individuals age 50 and older is not subject to an annual cost-of-living adjustment (COLA) and remains at \$1,000.

Effective January 1, the limitation on the annual benefit under a defined benefit (DB) plan under Section 415(b)(1)(A) of the Internal Revenue Code (IRC) will increase from \$230,000 to \$245,000. For a participant who separated from service before January 1, the participant's limitation under a DB plan under Section 415(b)(1)(B) is computed by multiplying the participant's compensation limitation, as adjusted through 2021, by 1.0534.

The limitation for defined contribution (DC) plans under Section 415(c)(1)(A) (i.e., annual additions) has been increased for 2022 from \$58,000 to \$61,000.

The limitation used in the definition of "highly compensated employee" under Section 414(q)(1)(B) will increase from \$130,000 to \$135,000.

Details on these and other retirement-related COLAs for 2022 are in [Notice 2021-61](#).