

2023 Cost of Living Adjustments

Employer-Sponsored Retirement Plans

401(k), 403(b), 457, TSP, or similar accounts	2023	2022
Employee Elective Deferrals Maximum amount a participant can contribute to this type of account	\$22,500	\$20,500
Employee Elective Catch-Up Contributions Additional amount a participant age 50 and above can contribute to this type of account	\$7,500	\$6,500
Annual Defined Contributions Maximum amount a participant and employer can contribute to this type of account	\$66,000	\$61,000

SIMPLE accounts	2023	2022
SIMPLE Deferrals Maximum amount a participant can contribute to a SIMPLE account	\$15,500	\$14,000
SIMPLE Catch-up Contributions Additional amount a participant age 50 and above can contribute to a SIMPLE account	\$3,500	\$3,000

Nondiscrimination Testing Limits	2023	2022
Annual Compensation Maximum amount of income used for employer safe harbor or matching contribution calculations	\$330,000	\$305,000
Key Employee Compensation Income threshold that defines "key employees" as required for nondiscrimination testing for qualified retirement plans	\$215,000	\$200,000
HCE Compensation Income threshold that defines highly-compensated employees as required for nondiscrimination testing for qualified retirement plans	\$150,000	\$135,000

Individual Retirement Plans

Traditional & Roth IRAs	2023	2022
Traditional/Roth IRA Contributions Maximum amount someone can contribute to a Traditional IRA or Roth IRA account	\$6,500	\$6,000
Traditional/Roth IRA Catch-Up Contributions Additional amount someone age 50 and above can contribute to a Traditional IRA or Roth IRA account	\$1,000	\$1,000



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Non-Retirement Savings Accounts

	2023	2022
FSA Contributions Maximum amount an individual can add to a tax-free Flexible Spending Account to be used within the year for qualified health care expenses	\$3,050	\$2,850
HSA Contributions - Individual Maximum amount an individual covered by a High Deductible Health Plan (HDHP) can add to a tax-free Health Savings Account to be used for qualified health care expenses any time in the future	\$3,850	\$3,650
HSA Contributions - Family Maximum amount a family covered by a High Deductible Health Plan (HDHP) can add to a tax-free Health Savings Account to be used for qualified health care expenses any time in the future	\$7,750	\$7,300
HSA Catch-Up Contributions Additional amount someone age 55 and above can contribute to a Health Savings Account	\$1,000	\$1,000
Dependent Care Account Contributions - Single or Married Filing Jointly/Married Filing Separately Maximum amount an individual or married couple can add to a tax-free Dependent Care Account	\$5,000/\$2,500	\$5,000/\$2,500

High Deductible Health Plan Definition

	2023	2022
HDHP Minimum Annual Deductible - Individual/Family Minimum deductible required to be considered a High Deductible Health Plan	\$1,500/\$3,000	\$1,400/\$2,800
HDHP Out of Pocket Maximum - Individual/Family Maximum out of pocket amount to be considered a High Deductible Health Plan	\$7,500/\$15,000	\$7,050/\$14,100

Payroll Taxes

	2023	2022
Social Security Wage Base Maximum amount of earned income employees must pay Social Security taxes on	\$160,200	\$142,800
Social Security Tax Rate - Employee/Employer Rate at which an employee & employer each pays Social Security tax on income up to the Social Security wage base	6.2%/6.2%	6.2%/6.2%
Medicare Tax Rate - Employee/Employer Rate at which an employee & employer each pays Medicare tax on wage income	1.45%/1.45%	1.45%/1.45%
FUTA Tax Rate/Taxable Wage Base Rate at which an employer pays Federal Unemployment Tax on income up to the Taxable Wage Base	6.0%/\$7,000	6.0%/\$7,000



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