



# TaxNewsFlash

## United States



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## Notice 2021-61: Pension plans, cost-of-living adjustments for 2022

The IRS today released an advance version of Notice 2021-61 providing the dollar limitations for qualified retirement plans for tax year 2022.

### Changes for 2022

[Notice 2021-61](#) [PDF 117 KB] includes the following amounts that will apply for 2022 (any changes in amounts that applied for 2021 are shown in brackets):

- The elective deferral (contribution) limit for employees who participate in 401(k), 403(b), most 457 plans, and the federal government's Thrift Savings Plan increases to \$20,500 [up from \$19,500].
- The limitation regarding savings incentive match plan for employees (SIMPLE) retirement accounts for 2022 increases to \$14,000 [up from \$13,500].
- The income ranges for determining eligibility to make deductible contributions to traditional individual retirement arrangements (IRAs), to contribute to Roth IRAs and to claim the saver's credit increase for 2022.
- The deduction for taxpayers making contributions to a traditional IRA is phased out for those who have modified adjusted gross income (AGI) within a certain range.
  - For single taxpayers who are covered by a workplace retirement plan, the income phase-out range is increased to \$68,000 to \$78,000 [up from \$66,000 to \$76,000].
  - For married couples filing jointly, when the spouse who makes the IRA contribution is covered by a workplace retirement plan, the income phase-out range is increased to \$109,000 to \$129,000 [up from \$105,000 to \$125,000].
  - For an IRA contributor who is not covered by a workplace retirement plan and is married to someone who is covered, the deduction is phased out if the couple's income is between \$204,000 and \$214,000 [up from \$198,000 and \$208,000].

- The income phase-out range for taxpayers making contributions to a Roth IRA is \$129,000 to \$144,000 [increased from \$125,000 to \$140,000] for singles and heads of household. For married couples filing jointly, the income phase-out range is \$204,000 to \$214,000 [increased from \$198,000 to \$208,000].
- The income limit for the saver's credit—also known as the retirement savings contributions credit—for low- and moderate-income workers is \$68,000 for married couples filing jointly [up from \$66,000]; \$51,000 for heads of household [up from \$49,500]; and \$34,000 for singles and married individuals filing separately [up from \$33,000].

### Unchanged limits for 2022

The limitations that remain unchanged for 2022, from 2021, include the following:

- The catch-up contribution limit for employees age 50 years and over who participate in 401(k), 403(b), most 457 plans, and the federal government's Thrift Savings Plan is unchanged at \$6,500.
- The limit on annual contributions to an IRA remains unchanged at \$6,000.
- The additional IRA catch-up contribution limit for individuals age 50 years and over is not subject to an annual cost-of-living adjustment and remains \$1,000.
- The deduction for taxpayers making contributions to a traditional IRA is phased out for those who have modified AGI within a certain range. For a married individual filing a separate return who is covered by a workplace retirement plan, the phase-out range is not subject to an annual cost-of-living adjustment and remains \$0 to \$10,000.
- The phase-out range for a married individual filing a separate return who makes contributions to a Roth IRA is not subject to an annual cost-of-living adjustment and remains \$0 to \$10,000.

Read a related IRS release, [IR-2021-216](#) (November 4, 2021).

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