



TaxNewsFlash

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Notice 2022-55: Pension plans, cost-of-living adjustments for 2023

The IRS today released an advance version of Notice 2022-55 providing the dollar limitations for qualified retirement plans for tax year 2023.

Changes for 2023

[Notice 2022-55](#) [PDF 121 KB] includes the following amounts that will apply for 2023 (any changes in amounts that applied for 2022 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 \$22,500 [up from \$20,500]
- The catch-up contribution limit for employees aged 50 and over who participate in 401(k), 403(b), most 457 plans, and the federal government's Thrift Savings Plan increases to \$7,500 [up from \$6,500]. Therefore, participants in 401(k), 403(b), most 457 plans, and the federal government's Thrift Savings Plan who are 50 and older can contribute up to \$30,000, starting in 2023. The catch-up contribution limit for employees aged 50 and over who participate in savings incentive match plan for employees (SIMPLE) plans is increased to \$3,500 [up from \$3,000].
- 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 2023
- Taxpayers can deduct contributions to a traditional IRA if they meet certain conditions. If during the year either the taxpayer or the taxpayer's spouse was covered by a retirement plan at work, the deduction may be reduced, or phased out, until it is eliminated, depending on filing status and income. (If neither the taxpayer nor the spouse is covered by a retirement plan at work, the phase-outs of the deduction do not apply.)
 - For single taxpayers who are covered by a workplace retirement plan, the income phase-out range is increased to \$73,000 to \$83,000 [up from \$68,000 to \$78,000].

- 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 \$116,000 to \$136,000 [up from \$109,000 to \$129,000].
 - For an IRA contributor who is not covered by a workplace retirement plan and is married to someone who is covered, the income phase-out range is increased to \$218,000 to \$228,000 [up from \$204,000 to \$214,000].
 - For a married individual filing a separate return who is covered by a workplace retirement plan, the income phase-out range is not subject to an annual cost-of-living adjustment and remains between \$0 and \$10,000.
- The income phase-out range for taxpayers making contributions to a Roth IRA is \$138,000 to \$153,000 [increased from \$129,000 to \$144,000] for single and heads of household. For married couples filing jointly, the income phase-out range is \$218,000 to \$228,000 [increased from \$204,000 to \$214,000]. The income 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 between \$0 and \$10,000.
 - The income limit for the saver's credit—also known as the retirement savings contributions credit—for low- and moderate-income workers is \$73,000 for married couples filing jointly [up from \$68,000]; \$54,750 for heads of household [up from \$51,000]; and \$36,500 for single and married individuals filing separately [up from \$34,000].
 - The amount individuals can contribute to their SIMPLE retirement accounts increases to \$15,500 [up from \$14,000].

Read a related IRS release, [IR-2022-188](#) (October 21, 2022).

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