MEMO# 33884

November 5, 2021

IRS Announces Retirement Plan Limitations for 2022

[33884]

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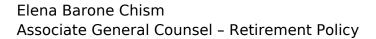
TO: ICI Members Pension Committee

Pension Operations Advisory Committee SUBJECTS: Pension RE: IRS Announces Retirement

Plan Limitations for 2022

The Internal Revenue Service has released annual cost of living and other adjustments applicable to dollar limitations for pension and retirement plans. The news release is available here and Notice 2021-61, which also contains the updated limits, is available here. Notably, the elective deferral limit for participants in 401(k), 403(b) and most 457 plans increased from \$19,500 to \$20,500, but the catch-up contribution limit for those plans remains \$6,500. Contribution limits for IRAs remain unchanged. Effective for tax year 2022, the dollar limitations include, but are not limited to, the following:

Limit 2021 2022 Defined benefit plan limit, IRC § 415(b)(1)(A) \$230,000 \$245,000 Defined contribution plan limit, IRC § 415(c)(1)(A) \$58,000 \$61,000 Annual compensation limit, IRC §§ 401(a)(17), 404(l), 408(k)(3)(C) and 408(k)(6)(D)(ii) \$290,000 \$305,000 Limit used for definition of highly compensated employee, IRC §414(q)(1)\$130,000 \$135,000 Elective deferral limit, IRC § 402(g) \$19,500 \$20,500 Deferral limit for state and local governments and tax-exempt organizations, IRC § 457(e)(15) \$19,500 \$20,500 **SEP compensation amount**, IRC § 408(k)(2)(C) \$650 \$650 **SIMPLE** contribution limit, IRC § 408(p)(2)(E) \$13,500 \$14,000 Catch-up contributions to qualified plans, 403(b) plans and 457 plans, IRC § 414(v)(2)(B)(i) \$6,500 \$6,500 Catch-up contributions to SIMPLE plans, IRC § 414(v)(2)(B)(ii) \$3,000 \$3,000 IRA contribution limit, IRC § 219(b)(5)(A) \$6,000 \$6,000 Catch-up contributions to IRAs, IRC § 219(b)(5)(B) (this amount is not adjusted for cost of living) \$1,000 \$1,000 **QLAC premium** limit, Treas. Reg. § 1.401(a)(9)-6, A-17(b)(2)(i) \$135,000 \$145,000 The Notice describes all plan limits for 2022 and provides updated income limits for determining (1) eligibility for the saver's credit (IRC § 25B(b)), (2) the deductible amount of a traditional IRA contribution (IRC § 219(g)), and (3) the maximum Roth IRA contribution (IRC § 408A(c)(3)(B)(ii)).



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