

**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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