



# 2022 COST-OF-LIVING ADJUSTMENTS FOR QUALIFIED RETIREMENT PLANS

The Social Security Administration (SSA) and Internal Revenue Service (IRS) have announced the government's annual cost-of-living adjustments (COLA) for 2022:

- ▶ There was a notable 5.9% increase in Social Security and Supplemental Security Income benefits, which represents the largest benefits increase since 1982 (2008 comes in a close second with a 5.8% increase).
- ▶ The IRS adjustments consist of generally across-the-board increases, including the IRS annual compensation amounts and limits for elective deferrals. These and other increases reflect the current inflationary environment, in sharp contrast to 2021's relatively flat adjustments. However, catch-up contribution limits for 2022 remain unchanged.

Refer to our alert for more details on the IRS and SSA amounts. To hear more discussion on current event impacts on retirement plans, subscribe to our all-things-EBP podcast series, [BDO Talks ERISA](#).

CODE SECTION	2022	2021	2020	2019	2018
401(a)(17)/404(l) Annual Compensation	\$305,000	\$290,000	\$285,000	\$280,000	\$275,000
402(g)(1) Elective Deferrals	20,500	19,500	19,500	19,000	18,500
408(k)(2)(C) SEP Minimum Compensation	650	650	600	600	600
408(k)(3)(C) SEP Maximum Compensation	305,000	290,000	285,000	280,000	275,000
408(p)(2)(E) SIMPLE Maximum Contributions	14,000	13,500	13,500	13,000	12,500
409(o)(1)(C)(ii) ESOP Limits	1,230,000 245,000	1,165,000 230,000	1,150,000 230,000	1,130,000 225,000	1,105,000 220,000
414(q)(1)(B) HCE Threshold	135,000	130,000	130,000	125,000	120,000
414(v)(2)(B)(i) Catch-up Contributions	6,500	6,500	6,500	6,000	6,000
414(v)(2)(B)(ii) Catch-up Contributions	3,000	3,000	3,000	3,000	3,000
415(b)(1)(A) DB Limits	245,000	230,000	230,000	225,000	220,000
415(c)(1)(A) DC Limits	61,000	58,000	57,000	56,000	55,000
416(i)(1)(A)(i) Key Employee	200,000	185,000	185,000	180,000	175,000
457(e)(15) Deferral Limits	20,500	19,500	19,500	19,000	18,500
1.61-21(f)(5)(i) Control Employee	120,000	115,000	115,000	110,000	110,000
1.61-21(f)(5)(iii) Control Employee	245,000	235,000	230,000	225,000	220,000
219(b)(5)(A) IRA Contribution Limit	6,000	6,000	6,000	6,000	5,500
219(b)(5)(B) IRA Catch-Up Contributions	1,000	1,000	1,000	1,000	1,000
Taxable Wage Base for Social Security	147,000	142,800	137,700	132,900	128,700

## CONTACT:

**BETH LEE GARNER**  
Assurance Partner,  
National Practice Leader  
404-979-7143 / bgarner@bdo.com

**LUANNE MacNICOL**  
Assurance Partner,  
616-802-3364 / lmacnicol@bdo.com

**NICOLE PARNELL**  
Managing Director,  
Retirement Plan Services Leader  
757-640-7291 / nparnell@bdo.com

**MICHAEL BELONIO**  
Assurance Director,  
Northeast Region Practice Leader  
212-404-5516 / mbelonio@bdo.com

**MARY ESPINOSA**  
Assurance Director,  
West Region Practice Leader  
714-668-7365 / mespinosa@bdo.com

**JODY HILLENBRAND**  
Assurance Partner,  
Southwest Region Practice Leader  
210-424-7524 / jhillenbrand@bdo.com

**PAM SLAGH**  
Assurance Director,  
Central Region Practice Leader  
616-802-3419 / pslagh@bdo.com

**JOANNE SZUPKA**  
Assurance Partner,  
Atlantic Region Practice Leader  
215-636-5591 / jszupka@bdo.com

**JAM YAP**  
Assurance Director,  
Southeast Region Practice Leader  
714-338-2484 / jtyap@bdo.com

**WENDY SCHMITZ**  
Assurance Director, Carolinas Employee  
Benefit Plan Practice  
704-887-4254 / wschmitz@bdo.com

**CHELSEA SMITH BRANTLEY**  
Professional Practice, Senior Manager  
404-979-7162 / csmith@bdo.com