

2023 COST-OF-LIVING ADJUSTMENTS FOR QUALIFIED RETIREMENT PLANS

BDO's [ERISA Center of Excellence](#) is pleased to provide you with this summary of key cost-of-living adjustments (COLA) for 2023 as announced by the Internal Revenue Service (IRS) and the Social Security Administration (SSA).

CODE SECTION	2023	2022	2021
401(a)(17) / 404(l) Annual Compensation	\$330,000	\$305,000	\$290,000
402(g)(1) Elective Deferrals	22,500	20,500	19,500
408(k)(2)(C) SEP Minimum Compensation	750	650	650
408(k)(3)(C) SEP Maximum Compensation	330,000	305,000	290,000
408(p)(2)(E) SIMPLE Maximum Contributions	15,500	14,000	13,500
409(o)(1)(C)(ii) ESOP Limits	1,330,000 265,000	1,230,000 245,000	1,165,000 230,000
414(q)(1)(B) HCE Threshold	150,000	135,000	130,000
414(v)(2)(B)(i) Catch-up Contributions	7,500	6,500	6,500
414(v)(2)(B)(ii) Catch-up Contributions	3,500	3,000	3,000
415(b)(1)(A) DB Limits	265,000	245,000	230,000
415(c)(1)(A) DC Limits	66,000	61,000	58,000
416(i)(1)(A)(i) Key Employee	215,000	200,000	185,000
457(e)(15) Deferral Limits	22,500	20,500	19,500
1.61-21(f)(5)(i) Control Employee	130,000	120,000	115,000
1.61-21(f)(5)(iii) Control Employee	265,000	245,000	235,000
Taxable Wage Base for Social Security	160,200	147,000	142,800

BDO works collaboratively with clients to test retirement plan limits while performing an audit of the qualified retirement plan. For more information about our ERISA audit services, plan administration and actuarial services, visit BDO's [Employee Benefit Plan Audits](#).

Read our [Avoid Employee Deferral Limit Excesses](#) for insights on:



Common causes of deferral limit issues



Consequences of exceeding deferral limits



Avoiding overages altogether

CONTACT:

BETH LEE GARNER

Assurance Partner,
National Practice Leader Employee
Benefit Plan Audits
404-979-7143 / bgarner@bdo.com

NICOLE PARNELL

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

SETH PITASKY

Managing Director,
Global Employee Services
216-325-1721 / spitasky@bdo.com