

Law & Policy Group

2023 quick benefit facts

Retirement plan limits

	2023	2022	2021
Qualified retirement plan limits			
401(k), 403(b) and eligible 457(e) elective deferrals	\$22,500	\$20,500	\$19,500
Catch-up contributions	\$7,500	\$6,500	\$6,500
Compensation limit	\$330,000	\$305,000	\$290,000
415 defined contribution annual limit	\$66,000	\$61,000	\$58,000
415 defined benefit maximum annuity	\$265,000	\$245,000	\$230,000
Highly compensated threshold	\$150,000	\$135,000	\$130,000
Traditional IRA limits			
IRA maximum deductible amount	\$6,500	\$6,000	\$6,000
IRA catch-up contribution limit	\$1,000	\$1,000	\$1,000
PBGC premiums for single-employer plans			
Flat rate per participant	\$96	\$88	\$86
Variable rate per \$1,000 of unfunded vested benefits	\$52	\$48	\$46
Per-participant variable-rate cap	\$652	\$598	\$582
Social Security			
Taxable wage base	\$160,200	\$147,000	\$142,800
Cost-of-living adjustment	8.7%	5.9%	1.3%

Retirement plan limits

After applying statutory rounding rules, all qualified plan retirement limits will increase significantly in 2023.

IRA limits

The 2023 IRA maximum deductible contribution limit will increase for the first time since 2019. The IRA catch-up contribution limit is not adjusted annually.

PBGC premiums

The 2023 single-employer flat-rate premium, variable-rate premium and per-participant variable-rate premium cap equal the 2022 amounts adjusted for one year's wage inflation.

Health and fringe benefit limits

	2023	2022	2021
Tax-free qualified transportation fringe benefits			
Monthly qualified parking, transit passes or commuter highway vehicle	\$300	\$280	\$270
Health flexible spending arrangement (FSA) and excepted-benefit health reimbursement arrangement (HRA) limits			
Health FSA salary reduction contribution	\$3,050	\$2,850	\$2,750
Health FSA carryover	\$610	\$570	unlimited*
Excepted-benefit HRA employer contribution	\$1,950	\$1,800	\$1,800
Health savings account (HSA) and high-deductible health plan (HDHP) limits			
Self-only coverage			
Tax-deductible/tax-free HSA contribution	\$3,850	\$3,650	\$3,600
HDHP minimum annual deductible	\$1,500	\$1,400	\$1,400
HDHP out-of-pocket maximum	\$7,500	\$7,050	\$7,000
Family coverage			
Tax-deductible/tax-free HSA contribution	\$7,750	\$7,300	\$7,200
HDHP minimum annual deductible	\$3,000	\$2,800	\$2,800
HDHP out-of-pocket maximum	\$15,000	\$14,100	\$14,000
HSA catch-up contribution[†]	\$1,000	\$1,000	\$1,000
ACA nongrandfathered group health plan out-of-pocket maximums			
Self-only coverage (and embedded individual maximum in family coverage)	\$9,100	\$8,700	\$8,550
Family coverage	\$18,200	\$17,400	\$17,100
ACA play-or-pay assessments			
Not offering coverage	\$2,880	\$2,750	\$2,700
Offering coverage lacking minimum value or affordability	\$4,320	\$4,120	\$4,060
ACA monthly employee contribution limit for play-or-pay FPL affordability safe harbor (48 contiguous states and Washington, DC)			
Calendar-year plans	\$103.28	\$103.15	\$104.53
Noncalendar-year plans	\$110.81	\$108.83	\$105.51
ACA affordability percentages for employer coverage			
Top % of income for lowest-cost self-only coverage with minimum value	9.12%	9.61%	9.83%

ACA play-or-pay assessments

Employers that don't offer minimum essential health coverage to most ACA full-time employees face paying one of two ACA monthly assessments. The table shows annual amounts.

ACA monthly employee contribution limit for play-or-pay federal-poverty-line (FPL) affordability safe harbor

Adjusted amounts for the ACA's play-or-pay FPL safe harbor apply on a plan-year, not calendar-year, basis. Noncalendar-year plans use the 2022 level of \$108.83 per month to determine FPL affordability until their 2023 plan years start.

ACA affordability percentages for employer coverage

To receive subsidized public exchange coverage, an individual's cost for the employer's lowest-cost, self-only coverage with minimum value can't exceed an indexed percentage of household income. The three affordability safe harbors (W-2, rate of pay or FPL) have the same indexing formula.

* The 2021 Consolidated Appropriations Act permitted unlimited carryovers of health FSA balances into the next plan year for 2020 and 2021.

† The HSA catch-up contribution limit is not adjusted annually.