

2023 Limits for Benefit Plans

November 2022

Each year, the U.S. government adjusts the limits for retirement plans, Social Security, Medicare, and other benefit programs to reflect price and wage inflation, and changes in the law. As a result, employee benefit plans must be adapted annually to accommodate the new limits.

Tax Qualified Retirement Plans—Published by IRS

	2023	2022	2021	2020
Annual Compensation¹				
Basic limit	\$ 330,000	\$ 305,000	\$ 290,000	\$ 285,000
Certain governmental plans	\$ 490,000	\$ 450,000	\$ 430,000	\$ 425,000
Limits on Benefits and Contributions				
Defined benefit plans, basic limit ²	\$ 265,000	\$ 245,000	\$ 230,000	\$ 230,000
Defined contribution plans, basic limit ²	\$ 66,000	\$ 61,000	\$ 58,000	\$ 57,000
401(k) and 403(b) plans, elective deferrals	\$ 22,500	\$ 20,500	\$ 19,500	\$ 19,500
457(b) plans, elective deferrals	\$ 22,500	\$ 20,500	\$ 19,500	\$ 19,500
415 compensation limit adjustment factor	1.0833	1.0534	1.0122	1.0176
Catch-up Contributions				
401(k), 403(b), or governmental 457(b) plans	\$ 7,500	\$ 6,500	\$ 6,500	\$ 6,500
SIMPLE plans	\$ 3,500	\$ 3,000	\$ 3,000	\$ 3,000
SIMPLE Plans: Elective Deferral Limit	\$ 15,500	\$ 14,000	\$ 13,500	\$ 13,500
Simplified Employee Pensions				
Minimum compensation	\$ 750	\$ 650	\$ 650	\$ 600
Maximum compensation	\$ 330,000	\$ 305,000	\$ 290,000	\$ 285,000
Tax Credit ESOPS				
5-year limit	\$ 1,330,000	\$ 1,230,000	\$ 1,165,000	\$ 1,150,000
Additional 1-year limit	\$ 265,000	\$ 245,000	\$ 230,000	\$ 230,000
"Highly Compensated" Definition ³	\$ 150,000	\$ 135,000	\$ 130,000	\$ 130,000
"Officer" for "Key Employee" Definition	\$ 215,000	\$ 200,000	\$ 185,000	\$ 185,000
Covered Compensation at Age 65 ⁴	\$ 101,484	\$ 97,620	\$ 94,560	\$ 91,464

¹ Limit applies to plan year (or 12-consecutive-month period) beginning in indicated calendar year.

² Limit applies to limitation year ending in indicated calendar year.

³ Limit applies to compensation during the plan year beginning in indicated calendar year to determine highly compensated for following plan year.

⁴ Amount applies in indicated calendar year to individuals age 65 in that year. It does not include increases beyond age 65 for individuals with a Social Security normal retirement age greater than 65. As of the date this is published, the 2023 amount was not official.



Defined Benefit Plan Insurance—Published by PBGC

	2023	2022	2021	2020
Maximum Guaranteed Benefit (Age 65 Annual SLA)	\$ 81,000.00	\$ 74,454.60	\$ 72,409.08	\$ 69,750.00
Single Employer Premium:				
Fixed-rate, per participant	\$ 96	\$ 88	\$ 86	\$ 83
Variable-rate (% of unfunded liability)	5.2%	4.8%	4.6%	4.5%
Variable-rate (per participant maximum)	\$ 652	\$ 598	\$ 582	\$ 561
Multiemployer Premium	\$ 35	\$ 32	\$ 31	\$ 30

Social Security—Published by SSA

	2023	2022	2021	2020
Payroll Taxes				
Employer and employee share	6.20% each	6.20% each	6.20% each	6.20% each
Wage base	\$ 160,200	\$ 147,000	\$ 142,800	\$ 137,700
Earnings Test Thresholds				
Years before normal retirement age ⁵	\$ 21,240	\$ 19,560	\$ 18,960	\$ 18,240
Year of normal retirement age ⁶	\$ 56,520	\$ 51,960	\$ 50,520	\$ 48,600
Cost-of-Living Adjustment, at End of Prior Year	8.7%	5.9%	1.3%	1.6%
Maximum Annual Benefit (Starting at Age 65) ⁷	\$ 39,348	\$ 35,916	\$ 34,092	\$ 34,284
Primary Insurance Amount (PIA) “Bend Points”				
90% of average indexed monthly earnings (AIME) up to:	\$ 1,115	\$ 1,024	\$ 996	\$ 960
32% of excess AIME up to (and 15% of excess over):	\$ 6,721	\$ 6,172	\$ 6,002	\$ 5,785
Family Maximum “Bend Points”				
150% of PIA up to:	\$ 1,425	\$ 1,308	\$ 1,272	\$ 1,226
272% of excess PIA up to:	\$ 2,056	\$ 1,889	\$ 1,837	\$ 1,770
134% of excess PIA up to (and 175% of excess over):	\$ 2,682	\$ 2,463	\$ 2,395	\$ 2,309
Average Covered Wages, for Indexing Wages	—	—	\$ 60,757.07	\$ 55,628.60

⁵ In 2009 through 2020, the Social Security normal retirement age is age 66. The normal retirement age will gradually increase to age 67 in 2027.

⁶ This earnings test applies in the months before a worker’s Social Security normal retirement age in the year the worker attains that age. For example, the earnings test would apply to a worker born in July 1956 for the 10 months before the Social Security normal retirement age of 66 and 4 months (i.e., November 2022).

⁷ For retirement at age 65, the Social Security benefit is reduced for early retirement for employees born after 1937.



Medicare—Published by Centers for Medicare & Medicaid Services

	2023	2022	2021	2020
Part A (Hospital Insurance)				
Payroll tax rate, employer share/employee share	1.45%	1.45%	1.45%	1.45%
Wage base	Unlimited	Unlimited	Unlimited	Unlimited
Additional tax rate, employee only ⁸	0.9%	0.9%	0.9%	0.9%
Inpatient deductible	\$ 1,600	\$ 1,556	\$ 1,484	\$ 1,408
Daily coinsurance, days 61-90	\$ 400	\$ 389	\$ 371	\$ 352
Daily coinsurance, days 91-150 lifetime reserve	\$ 800	\$ 778	\$ 742	\$ 704
Daily coinsurance, skilled nursing facility, days 21-100	\$ 200	\$ 194.50	\$ 185.50	\$ 176
Part B (Supplementary Medical Insurance)				
Monthly premium ⁹	\$ 164.90	\$ 170.10	\$ 148.50	\$ 144.60
Deductible	\$ 226	\$ 233	\$ 203	\$ 198
Part D (Standard Drug Insurance)				
Monthly premium ¹⁰ CMS avg.	\$ 31.50	\$ 33	\$ 31	\$ 30
Deductible	\$ 505	\$ 480	\$ 445	\$ 435
Initial coverage limit (Medicare pays 75%)	\$ 4,660	\$ 4,430	\$ 4,130	\$ 4,020
Out-of-pocket threshold (Medicare pays 0%)	\$ 7,400	\$ 7,050	\$ 6,550	\$ 6,350
Catastrophic coverage for low income subsidy beneficiaries (Medicare pays 95%)	\$ 10,516.25	\$ 10,012.50	\$ 9,313.75	\$ 9,038.75

Health Savings Accounts—Published by IRS

	2023		2022		2021		2020	
	Single	Family	Single	Family	Single	Family	Single	Family
Maximum Contributions	\$ 3,850	\$ 7,750	\$ 3,650	\$ 7,300	\$ 3,600	\$ 7,200	\$ 3,550	\$ 7,100
Minimum Deductible	\$ 1,500	\$ 3,000	\$ 1,400	\$ 2,800	\$ 1,400	\$ 2,800	\$ 1,400	\$ 2,800
Maximum Out-of-Pocket ¹¹	\$ 7,500	\$ 15,000	\$ 7,050	\$ 14,100	\$ 7,000	\$ 14,000	\$ 6,900	\$ 13,800
Catch-up Contributions	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000

⁸ On individual's wages and other compensation in excess of \$200,000 (or, if married filing a joint return, \$250,000).

⁹ The income-related Part B premiums for 2023 will be \$230.80, \$329.70, \$428.60, \$527.50, or \$560.50, if an individual's "modified adjusted gross income" exceeds \$97,000, \$123,000, \$153,000, \$183,000, or \$500,000 respectively (or, if married filing a joint return, \$194,000, \$246,000, \$306,000, \$366,000, or \$750,000 respectively). The base premium and income-related amounts do not reflect the "hold harmless" limit (capping the annual premium increase at the PIA benefit COLA increase for most individuals).

¹⁰ These figures are averages. The premiums vary depending upon the type of coverage and the private sector insurer sponsoring the Part D plan. In addition, income related premium adjustments apply at incomes above specified threshold amounts.

¹¹ The individual out-of-pocket maximum for family members follows the single member limit that applies to group health plans (\$9,100 in 2023).



Medical Savings Accounts—Published by IRS

		2023	2022	2021	2020
Contribution Range	Single	\$ 1,722.50-\$2,567.50	\$ 1,592.50-\$2,405	\$ 1,560-\$2,340	\$ 1,527.50-\$2,307.50
	Family	\$ 3,975-\$5,925	\$ 3,712.50-\$5,550	\$ 3,600-\$5,362.50	\$ 3,562.50-\$5,325
Deductible Range	Single	\$ 2,650-\$3,950	\$ 2,450-\$3,700	\$ 2,400-\$3,600	\$ 2,350-\$3,550
	Family	\$ 5,300-\$7,900	\$ 4,950-\$7,400	\$ 4,800-\$7,150	\$ 4,750-\$7,100
Maximum	Single	\$ 5,300	\$ 4,950	\$ 4,800	\$ 4,750
Out-of-Pocket	Family	\$ 9,650	\$ 9,050	\$ 8,750	\$ 8,650

Group Health Plans (Other Than HDHP/HSA)—Published by the Department of Health and Human Services

		2023		2022		2021		2020	
		Single	Family	Single	Family	Single	Family	Single	Family
Maximum Out-of-Pocket (Limitation on Cost Sharing)		\$ 9,100	\$ 18,200	\$ 8,700	\$ 17,400	\$ 8,550	\$ 17,100	\$ 8,150	\$ 16,300

Health FSAs

	2023	2022	2021	2020
Maximum Annual Plan Contribution Limit	\$ 3,050	\$ 2,850	\$ 2,750	\$ 2,750

Dependent Care FSAs/Dependent Care Assistance Plans

	2023	2022	2021	2020
Maximum Annual Plan Contribution Limit	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000

Long-Term Care Insurance Premiums—Published by IRS

	2023	2022	2021	2020
Age 40 or Less	\$ 480	\$ 450	\$ 450	\$ 430
Age 41-50	\$ 890	\$ 850	\$ 850	\$ 810
Age 51-60	\$ 1,790	\$ 1,690	\$ 1,690	\$ 1,630
Age 61-70	\$ 4,770	\$ 4,510	\$ 4,520	\$ 4,350
Older than 70	\$ 5,960	\$ 5,640	\$ 5,640	\$ 5,430

Control Employee Definition for Commuting Valuation—Published by IRS

	2023	2022	2021	2020
Officer Compensation	\$ 130,000	\$ 120,000	\$ 115,000	\$ 115,000
Employee Compensation	\$ 265,000	\$ 245,000	\$ 235,000	\$ 230,000

Qualified Transportation Fringe Benefits—Published by IRS

	2023	2022	2021	2020
Monthly Parking	\$ 300	\$ 280	\$ 270	\$ 270
Monthly Transit Pass/Commuter Vehicle	\$ 300	\$ 280	\$ 270	\$ 270

Adoption Exclusion and Credit—Published by IRS

	2023	2022	2020	2021
Maximum for Exclusion and Credit, Per Child	\$ 15,950	\$ 14,890	\$ 14,440	\$ 14,300
Phase-out Start for Credit ¹²	\$ 239,230	\$ 223,410	\$ 216,660	\$ 214,520

¹² Completely phased out for taxpayers with modified adjusted gross income of \$279,230 or more in 2023.



Retirement Savings Contributions Credit (Saver's Credit)—Published by IRS

	2023	2022	2021	2020
Maximum Contribution for Saver's Credit				
Married filing jointly	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000
Other	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000
Credit Fully Phased Out if Adjusted Gross Income Over				
Married filing jointly	\$ 73,000	\$ 68,000	\$ 66,000	\$ 65,000
Head of household	\$ 54,750	\$ 51,000	\$ 49,500	\$ 48,750
Other	\$ 36,500	\$ 34,000	\$ 33,000	\$ 32,500

Federal Standard Deduction and Exemption—Published by IRS

	2023	2022	2021	2020
Basic Standard Deduction				
Married filing jointly	\$ 27,700	\$ 25,900	\$ 25,100	\$ 24,800
Head of household	\$ 20,800	\$ 19,400	\$ 18,800	\$ 18,650
Single	\$ 13,850	\$ 12,950	\$ 12,550	\$ 12,400
Personal exemption	\$ 0	\$ 0	\$ 0	\$ 0

Federal Income Tax Brackets—Published by IRS

		2023	2022	2021	2020
Married Filing Jointly	Rate	Tax Bracket	Tax Bracket	Tax Bracket	Tax Bracket
Rate applies to taxable income in excess of amounts shown	10.0%	\$ 0	\$ 0	\$ 0	\$ 0
	12.0%	\$ 22,000	\$ 20,550	\$ 19,900	\$ 19,750
	22.0%	\$ 89,450	\$ 83,550	\$ 81,050	\$ 80,250
	24.0%	\$ 190,750	\$ 178,150	\$ 172,750	\$ 171,050
	32.0%	\$ 364,200	\$ 340,100	\$ 329,850	\$ 326,600
	35.0%	\$ 462,500	\$ 431,900	\$ 418,850	\$ 414,700
	37.0%	\$ 693,750	\$ 647,850	\$ 628,300	\$ 622,050
Head of Household					
Rate applies to taxable income in excess of amounts shown	10.0%	\$ 0	\$ 0	\$ 0	\$ 0
	12.0%	\$ 15,700	\$ 14,650	\$ 14,200	\$ 14,100
	22.0%	\$ 59,850	\$ 55,900	\$ 54,200	\$ 53,700
	24.0%	\$ 95,350	\$ 89,050	\$ 86,350	\$ 85,500
	32.0%	\$ 182,100	\$ 170,050	\$ 164,900	\$ 163,300
	35.0%	\$ 231,250	\$ 215,950	\$ 209,400	\$ 207,350
	37.0%	\$ 578,100	\$ 539,900	\$ 523,600	\$ 518,400
Single					
Rate applies to taxable income in excess of amounts shown	10.0%	\$ 0	\$ 0	\$ 0	\$ 0
	12.0%	\$ 11,000	\$ 10,275	\$ 9,950	\$ 9,875
	22.0%	\$ 44,725	\$ 41,775	\$ 40,525	\$ 40,125
	24.0%	\$ 95,375	\$ 89,075	\$ 86,375	\$ 85,525
	32.0%	\$ 182,100	\$ 170,050	\$ 164,925	\$ 163,300
	35.0%	\$ 231,250	\$ 215,950	\$ 209,425	\$ 207,350
	37.0%	\$ 578,125	\$ 539,900	\$ 523,600	\$ 518,400



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