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Oct. 21, 2022



The Internal Revenue Service has increased the amount individuals can contribute to their 401(k) plans in 2023 to \$22,500, up from \$20,500 for 2022. The IRS has also issued technical guidance regarding all of the cost-of-living adjustments affecting dollar limitations for pension plans and other retirement-related items for tax year 2023 in [Notice 2022-55](#) (PDF), posted today on IRS.gov.

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increased to \$7,500, up from \$6,500. Therefore, participants in 401(k), 403(b), most 457 plans, and the federal government's Thrift Savings Plan who are 50 and older can contribute up to \$30,000, starting in 2023. The catch-up contribution limit for employees aged 50 and over who participate in SIMPLE plans is increased to \$3,500, up from \$3,000.

The income ranges for determining eligibility to make deductible contributions to traditional Individual Retirement Arrangements (IRAs), to contribute to Roth IRAs, and to claim the Saver's Credit all increased for 2023.

Taxpayers can deduct contributions to a traditional IRA if they meet certain conditions. If during the year either the taxpayer or the taxpayer's spouse was covered by a retirement plan at work, the deduction may be reduced, or phased out, until it is eliminated, depending on filing status and income. (If neither the taxpayer nor the spouse is covered by a retirement plan at work, the phase-outs of the deduction do not apply.) Here are the phase-out ranges for 2023:

- For single taxpayers covered by a workplace retirement plan, the phase-out range is increased to between \$73,000 and \$83,000, up from between \$68,000 and \$78,000.
- For married couples filing jointly, if the spouse making the IRA contribution is covered by a workplace retirement plan, the phase-out range is increased to between \$116,000 and \$136,000, up from between \$109,000 and \$129,000.
- For an IRA contributor who is not covered by a workplace retirement plan and is married to someone who is covered, the phase-out range is increased to between \$218,000 and \$228,000, up from between \$204,000 and \$214,000.
- For a married individual filing a separate return who is covered by a workplace retirement plan, the phase-out range is not subject to an annual cost-of-living adjustment and remains between \$0 and \$10,000.

The income phase-out range for taxpayers making contributions to a Roth IRA is

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couples filing jointly, up from \$68,000; \$54,750 for heads of household, up from \$51,000; and \$36,500 for singles and married individuals filing separately, up from \$34,000.

The amount individuals can contribute to their SIMPLE retirement accounts is increased to \$15,500, up from \$14,000.

Details on these and other retirement-related cost-of-living adjustments for 2023 are in [Notice 2022-55](#) PDF, available on IRS.gov.

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