

2023 Tax Contribution Guidelines

401(k) contribution limits for 2023

- For 2023, the annual contribution limit for 401(k)s, 403(b)s, most 457 plans, and Thrift Savings Plan is **\$22,500**, up from \$20,500 in 2022.
- Individuals who will reach the age of 50 on or before December 31, 2023 are eligible for “catch-up” contributions to their 401(k) above the standard limit. The IRS increased the catch-up contribution value in 2023 to \$7,500, up from \$6,500 in 2022. In total, **employees above the age of 50 can contribute up to \$30,000 to their 401(k).**
- **Contributions must be made by the close of the calendar year—meaning by December 31.** The same deadline applies to Roth 401(k) plans and even to the 403(b) plans offered by nonprofit organizations and government employees.

Defined Contribution Plan Limits	2022	2023	Change
Maximum employee elective deferral	\$20,500	\$22,500	+\$2,000
Employee catch-up contribution (if age 50 or older by year-end)	\$6,500	\$7,500	+\$1,000
Defined contribution maximum limit, all sources	\$61,000	\$66,000	+\$5,000
Defined contribution maximum limit (if age 50 or older by year end); maximum contribution all sources, plus catch-up	\$67,500	\$73,500	+\$6,000

IRA contribution limits for 2023

- The annual **IRA contribution limit is \$6,500 in 2023**, up from \$6,000 in 2022.
- Those who reach of age of 50 or over during the calendar year can make an additional “catch up” contribution of \$1,000, bringing the **total for those over 50 to \$7,500.**
- The **IRA contribution limits apply to your combined traditional and Roth IRA contributions.** This means if you have both a Roth IRA and a traditional IRA, your total contributions cannot exceed the \$6,000 limit in 2022 or the \$6,500 limit in 2023.
- Unlike 401(k) contributions, which must be made during the calendar year, IRA contributions can be made until tax day. This means **you have until April 18, 2023 to make a contribution and receive a deduction on your 2022 taxes.** Likewise, **contributions made before April 15, 2024 can be claimed on your 2023 taxes.**

Tax Deductions for Traditional IRA Contributions

- Contributions to a traditional IRA are tax-deductible for many investors. If you (and your spouse, if you're married) are not covered by an employer-sponsored retirement plan, you may deduct your full contribution from your taxes.
- If you (and your spouse, if you're married) are covered by an employer-sponsored retirement plan, then the traditional IRA tax deduction may be limited based on your modified adjusted gross income

Filing Status	2023 Income	2022 Income	Deduction
Single, head of household, or qualifying widow(er)	Less than \$73,000	Less than \$68,000	Full deduction up to the contribution limit
Single, head of household, or qualifying widow(er)	\$73,000 to \$83,000	\$68,000 to \$78,000	Partial Deduction
Single, head of household, or qualifying widow(er)	More than \$83,000	More than \$78,000	No deduction
Married filing jointly	Less than \$116,000	Less than \$109,000	Full deduction up to the contribution limit
Married filing jointly	\$116,000 to \$136,000	\$109,000 to \$129,000	Partial Deduction
Married filing jointly	More than \$136,000	More than \$129,000	No deduction