

IRS Retirement Plan Limits

	2022	2021
Annual Compensation Limit:	\$305,000	\$290,000
401(k) Deferrals 402(g) Limit: Tax Year Limit	\$20,500	\$19,500
Age 50 Catch-up Contributions: Tax Year Limit	\$6,500	\$6,500
Highly Compensated Employee*: (look-back year)	\$135,000	\$130,000
Key Employee:		
Officer:	\$200,000	\$185,000
1% Owner:	\$150,000	\$150,000
Defined Contribution Plan Limit: Lesser of 100% of Pay or the limit indicated	\$61,000	\$58,000
Defined Benefit Plan Limit:	\$245,000	\$230,000
Maximum Monthly Defined Benefit:	\$20,416.67	\$19,166.67
Social Security Wage Base:	\$147,000	\$142,800

*The impact of the Highly Compensated Employee look-back year: For the 2021 plan year, any employee earning more than \$130,000 in 2020 will be considered highly compensated. For the 2022 plan year, any employee earning more than \$130,000 in 2021 will be considered highly compensated.

Year End Reminder

All 401(k) deferrals for the plan year should be consistent with a written deferral agreement and deposited to the trust account no later than the last payroll date of the year. Remember, unless specifically requested by the participant, a Plan must include deferrals on bonuses paid and always transfer deferrals to the designated investment trust arrangement within 7 days of withholding.

2021 Matching Calculations

Please be sure to limit your matching contribution calculation, both discretionary and safe harbor, for each deferring Participant to the Annual Compensation Limit.

For example, a matching formula of 100% of the first 4% of Plan Compensation deferred will have a maximum match of \$11,600 (4% of \$290,000).

Please contact CrossPlans if you have any questions.