Maximum Allowable Contribution (MAC) Limits for 2023

Client Information Release

U.S. OMNI & TSACG Compliance Services (OMNI/TSACG) is committed to providing our clients with the most current 403(b), 457(b), and 401(k) Plan information as it is released by the IRS. The latest IRS information concerning MAC limits indicates that the normal limit and the age-based additional amount have increased for calendar year 2023.

MAC Limits for 2023

- The normal calendar year limit for 403(b), 457(b) and 401(k) plans will increase by $2,000 to $22,500 for 2023.
- The age-based additional amount (age 50 by 12/31/2023) will increase by $1,000 to $7,500 for 2023.
- Any other catch-up options that may be applicable to your Plan(s) remain unchanged.

Examples

All employees, regardless of age or years of service, may contribute up to $22,500 to their 403(b), 457(b) or 401(k) account in 2023. (The limit is coordinated for 403(b) and 401(k) accounts. 457(b) accounts are not coordinated with other plans.)

Employees who will attain age 50 by 12/31/2023 may contribute an additional $7,500 to 403(b), 457(b) and/or 401(k) accounts in 2023. (This limit is coordinated for 403(b) and 401(k) accounts.)

IRC §415 Limit

The overall employee and employer contribution limit for 401(a), 401(k) and 403(b) plans increases by $5,000 to a total of $66,000 effective January 1, 2023. This overall defined contribution limit is of special importance to those plan sponsors with Special Pay Plans that are designed to accommodate accumulated leave payments.

Questions regarding this information should be directed to your Plan Consultant.

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