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Employee Benefits and Human Resources Law

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2022 Cost-of-Living Adjustments for Retirement Plans and FSAs

The Internal Revenue Service announced the following annual limits for retirement plans and health Flexible Spending Accounts ("FSAs") for 2022. Most of the limits have increased for 2022; however, some of 2022 limits remain unchanged. The employee elective deferral limit to 401(k), 403(b) and 457(b) plans will increase from \$19,500 to \$20,500, but catch-up contributions remain unchanged at \$6,500. Employee salary reduction contributions to a health FSA will increase from \$2,750 to \$2,850.

Dollar Limit	2021	2022
Defined Benefit Plan Benefit: I.R.C. §415(b)(1)(A)	\$ 230,000	\$ 245,000
Defined Contribution Plan: I.R.C. §415(c)(1)(A)	\$ 58,000	\$ 61,000
401(k)/403(b) Elective Deferral: I.R.C. §402(g)(1)	\$ 19,500	\$ 20,500
I.R.C. §457(b) Deferred Compensation Plan: (State and Local Governments and Tax Exempt Organizations) I.R.C. §457(e)(15)	\$ 19,500	\$ 20,500
Age 50 or Older Catch-Up Contribution: I.R.C. §414(v)(2)(B)(1)	\$ 6,500	\$ 6,500
Annual Compensation: I.R.C. §§401(a)(17) and 404(l)	\$ 290,000	\$ 305,000
Highly Compensated Employee	\$ 130,000	\$ 135,000
Employee Contribution Limit to Health FSAs	\$ 2,750.00	\$ 2,850.00
Health FSA Carry-Over Limit	\$ 550.00	\$ 570.00

The content herein is provided for educational and informational purposes only and does not contain legal advice. Please contact our office if you have any questions about compliance requirements applicable to your employee benefit plans or other HR compliance matters.

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