

Employee Benefit Plans Alert

2022 Cost of Living Adjustments

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Plan sponsors should review the cost of living adjustments (COLAs) to determine what, if any, changes need to be communicated to employees by means of orientation meetings and enrollment forms. In addition, the amounts may need to be updated and/or input into the payroll or other human resources information systems used by the employer to monitor contributions made to an employee benefit plan.

The table below contains the dollar limitation for retirement plans and other benefit plan limits and thresholds for the 2020 through 2022 tax years. Similar to other years, some of the amounts have changed and others remained the same as the prior year.

Cost of Living Adjustments	Limits		
	2022	2021	2020
Retirement Plans			
402(g) Elective Deferrals. Maximum salary-reduction contribution; 401(k), 403(b) and 457(b) plans.	\$20,500	\$19,500	\$19,500
Catch-up Contributions. Age 50 or older additional salary reduction contributions; 401(k), 403(b), government 457(b) plans.	\$6,500	\$6,500	\$6,500
401(a)(17) Compensation Limit. Ceiling for using compensation to determine benefits in a qualified retirement plan.	\$305,000	\$290,000	\$285,000
415(c) Maximum dollar amount for a defined contribution plan (excludes catch-up).	\$61,000	\$58,000	\$57,000
Highly Compensated Employee (HCE). Compensation earned in a prior year is used to determine if a participant is a HCE.	\$135,000	\$130,000	\$130,000
Key Employee. Minimum compensation for an officer to be treated as a "key employee."	\$200,000	\$185,000	\$185,000

Social Security Wage Base	2022	2021	2020
Social Security Taxable Wage Base.	\$147,000	\$142,800	\$137,700
Welfare Plans	2022	2021	2020
Health FSA Contribution Limit.	\$2,750	\$2,750	\$2,750
HSA Contribution Limit – Single.	\$3,650	\$3,600	\$3,550
HSA Contribution Limit – Family.	\$7,300	\$7,200	\$7,100
Catch-up Contributions. Age 55 or older.	\$1,000	\$1,000	\$1,000

Contact Us

The Employee Benefit Services Group at PKF O'Connor Davies is available to assist plan sponsors in meeting the various compliance requirements applicable to their plan. We also provide a full spectrum of compliance services for qualified retirement plans, nonqualified deferred compensation plans, and welfare plans. For more information, please contact your client services partner or either of the following:

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