

# 2021/2022 dollar limitations for retirement plans



Wealth Management

Some new limitations will apply to retirement plans and other benefit plans in 2022 as a result of cost-of-living adjustments made by the IRS and the Social Security Administration. The limits for 2022, as well as the 2021 limits, are as follows:

Account Types		2021 Limit	2022 Limit
IRA	Traditional and Roth IRA contribution limit	\$6,000	\$6,000
	Catch-up limit for individuals age 50 and older	\$1,000	\$1,000
SIMPLE IRA	Elective deferral limit	\$13,500	\$14,000
	Catch-up limit for individuals age 50 and older	\$3,000	\$3,000
	Maximum employer match (\$1 for \$1 match on the first 3% of employee compensation deferred).	\$13,500	\$14,000
	Maximum employer non-elective contribution (2% of employee's compensation, up to \$290k in 2021 and \$305k in 2022)	\$5,800	\$6,100
	Catch-up deferral is also matched by employer if individual is age 50 or older.	\$3,000	\$3,000
SEP IRA	Maximum SEP contribution	\$58,000	\$61,000
	SEP compensation exclusion	\$650	\$650
401(k), SARSEP, 403(b) and Governmental 457(b)	Elective deferral limit	\$19,500	\$20,500
	Catch-up limit for individuals age 50 and older	\$6,500	\$6,500
Profit Sharing, 401(k) and Money Purchase Pension	Defined contribution limit (415(c) limit)	\$58,000	\$61,000
Profit Sharing, 401(k), SEP and Money Purchase Pension	Employee annual compensation limit	\$290,000	\$305,000
401(k), SARSEP, 403(b) and Governmental 457(b)	Highly compensated employee limit (no requirement for 5% owner)	\$130,000	\$135,000
Profit Sharing, 401(k) and Money Purchase Pension	Top-heavy plan key employee compensation limit	\$185,000	\$200,000
Defined Benefit	Maximum annual benefit at retirement	\$230,000	\$245,000

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<b>Modified Adjusted Gross Income (MAGI) phase-out ranges for traditional IRA deduction when taxpayer is covered by a retirement plan at work</b>		
<b>Filing status</b>	<b>2021 Limit</b>	<b>2022 Limit</b>
Single or head of household	\$66,000–\$76,000	\$68,000–\$78,000
Married filing jointly	\$105,000–\$125,000	\$109,000–\$129,000
Married filing jointly for non-covered spouse with a spouse who is an active participant	\$198,000–\$208,000	\$204,000–\$214,000
<b>MAGI phase-out ranges for Roth IRA annual contributions</b>		
<b>Filing status</b>	<b>2021</b>	<b>2022</b>
Single or head of household	\$125,000–\$140,000	\$129,000–\$144,000
Married filing jointly	\$198,000–\$208,000	\$204,000–\$214,000
<b>Social Security</b>		
	<b>2021</b>	<b>2022</b>
Social security taxable wage base	\$142,800	\$147,000
Maximum earnings for individuals under normal retirement age before Social Security benefits are reduced. One dollar in benefits will be withheld for every \$2 in earnings above the limit.	\$18,960 (\$1,580/mo)	\$19,560 (\$1,630/mo)
Maximum Social Security benefit at social security full retirement age	\$3,148	\$3,345
<b>529/Gift Tax Exclusion</b>		
<b>Filing status</b>	<b>2021</b>	<b>2022</b>
Single or head of household	\$15,000	\$16,000
Married filing jointly	\$30,000	\$32,000
<b>Health Savings Accounts (HSAs)</b>		
	<b>2021</b>	<b>2022</b>
Maximum contribution limit	Single	\$3,600
	Family	\$7,200
	Catch-Up (sgr 55 by the end of the year)	\$1,000
Minimum annual deductible for High Deductible Health Plan (HDHP)	Single	\$1,400
	Family	\$2,800
HDHP maximum out-of-pocket expenses	Single	\$7,000
	Family	\$14,000