## 2022 COST-OF-LIVING ADJUSTMENTS (COLAS)



The IRS has announced the 2022 cost-of-living adjustments (COLAs), which impact retirement plans for more than 70 million Americans. These taxpayers will get a $5.9 \%$ increase in monthly Social Security benefits and supplemental security income payments in 2022. The COLA is based on three months of Consumer Price Index data, which reflects that prices have risen dramatically since the pandemic began, causing much financial stress for beneficiaries who live on a fixed income. We've compiled a side-by-side comparison on the dollar limitations for benefits and contributions over the past three years below.

202020212022

## 401(k), 403(b), 457 Contributions

Elective Deferrals $\quad \$ 19,500 \$ 19,500 \$ 20,500$
Catch-Up Contributions $6,500 \quad 6,500 \quad 6,500$

## IRAs

| IRA Contributions | 6,000 | 6,000 |
| :--- | ---: | ---: |
| 6,000 |  |  |

## SIMPLE Plan

Elective Deferrals $\quad 13,50013,50014,000$
Catch-Up Contributions 3,000 3,000 3,000

## Simplified Employee Pensions (SEPs)

Minimum Compensation 408(k)(2)(c) 600650650
Maximum Compensation 408(k)(3)(c) 285,000 290,000 305,000
$\begin{array}{llll}\text { Maximum Contribution } & 57,000 \quad 58,000 \quad 61,000\end{array}$

## 401(k), 403(b), 457 Plans

| Annual Compensation 401(a)(17)/404(I) | 285,000 | 290,000 | 305,000 |
| :--- | :--- | :--- | :--- |
| Defined Contribution Limits 415(c)(1)(A) | 57,000 | 58,000 | 61,000 |
| ESOP Limit 409(o)(1)(c) - account balance | $1,150,000$ | $1,165,000$ | $1,230,000$ |
| ESOP Limit 409(o)(1)(c) - lengthening 5-year period 230,000 | 230,000 | 245,000 |  |

## Miscellaneous

| Highly Compensated Employee | 130,000 | 130,000 | 135,000 |
| :--- | :--- | :--- | :--- |
| Defined Benefit Annual Limit | 230,000 | 230,000 | 245,000 |
| Key Employee Compensation | 185,000 | 185,000 | 200,000 |
| Social Security Taxable Wage Base | 137,700 | 142,800 | 147,000 |

