

Retirement Account Inflation Adjustments for 2022:

Qualified Accounts

2022 contribution limits for your 401(k), 403(b), or a 457 plan have increased from \$19,500 to \$20,500. Additionally, if you are age 50 or older, you are eligible for a “catch-up” contribution which will remain at \$6,500 a year.

	<u>2021</u>	<u>2022</u>
Under Age 50 Contribution Limit	\$19,500	\$20,500
Over Age 50 Contribution Limit	\$26,000	\$27,000

The 2022 contribution limits for an IRA or Roth IRA have stayed unchanged at \$6,000, plus a \$1,000 catch-up contribution for individuals over age 50. Contributions to an IRA can be tax deductible if you do not have a qualified plan, regardless of your Adjusted Gross Income (AGI). However, if you (or your spouse) are eligible for a qualified plan, your contribution may be deductible based on the following AGI amounts:

2022 Traditional IRA AGI Limits:

- Single or Head of Household: \$68,000 - \$78,000
- Married Filing Jointly (and you’re covered by a retirement plan at work) \$109,000 - \$129,000
- Married Filing Jointly (and your spouse is covered by a retirement plan at work) \$204,000 - \$214,000
- Married Filing Separately: \$0 - \$10,000

2022 Roth IRA AGI limits:

- Single or Head of Household: \$129,000 - \$144,000
- Married Filing Jointly: \$204,000 - \$214,000
- Married Filing Separately: \$0 - \$10,000

2022 SIMPLE IRA Contribution limits:

- The maximum deferral has increased from \$13,500 to \$14,000

2022 SEP IRA Contribution limits:

- The maximum deferral has increased from \$58,000 to \$61,000
- The minimum compensation amount remains at \$650

Defined Contribution Plans –

The 2022 defined contribution plan funding has increased from \$58,000 to \$61,000.

Defined Benefit Plans –

The 2022 limitation on the annual benefit has increased from \$230,000 to \$245,000.

Health care savings accounts (HSA) –

If you have a high-deductible health insurance plan, you are eligible to contribute to an HSA. For 2022, a single taxpayer can contribute \$3,650 and family coverage is \$7,300. In addition, there is a catch-up contribution of \$1,000 for anyone who is age 55 or older.

DISCLOSURES:

This information is not intended to be a substitute for individualized tax advice. We suggest that you discuss your specific tax situation with a qualified tax advisor.

Content in this material is for general information only and not intended to provide specific advice or recommendations for any individual.

Contributions to a traditional IRA may be tax deductible in the contribution year, with current income tax due at withdrawal. Withdrawals prior to age 59 ½ may result in a 10% IRS penalty tax in addition to current income tax.

A Roth IRA offers tax deferral on any earnings in the account. Qualified withdrawals of earnings from the account are tax-free. Withdrawals of earnings prior to age 59 ½ or prior to the account being opened for 5 years, whichever is later, may result in a 10% IRS penalty tax. Limitations and restrictions may apply.