

THOMSON REUTERS

CHECKPOINT™

PAYROLL GUIDE

2023 FACT FINDER†

PENSION PLAN LIMITATIONS

INTERNAL REVENUE SERVICE	2023	2022	IRC REF.
Salary Deferral (pretax) Limits			
• §401(k)/§403(b)/SEP	\$ 22,500	\$ 20,500	§402(g)(1)
• SIMPLE Plans	\$ 15,500	\$ 14,000	§408(p)(2)(E)
• State/local govt.; tax exempts	\$ 22,500	\$ 20,500	§457
-- §401(k) catch-up contributions	\$ 7,500	\$ 6,500	§414(v)(2)(B)(i)
-- Other catch-up contributions	\$ 3,500	\$ 3,000	§414(v)(2)(B)(ii)
Section 415 Annual Benefits Limits			
• Defined benefit plans	\$ 265,000	\$ 245,000	§415(b)(1)(A)
• Defined contribution plans	\$ 66,000	\$ 61,000	§415(c)(1)(A)
Compensation Limits			
• Qualified plans	\$ 330,000	\$ 305,000	§401(a)(17)
• Collectively bargained	\$ 330,000	\$ 305,000	§401(a)(17)
• Governmental plans	\$ 490,000	\$ 450,000	§401(a)(17)
Highly Compensated Levels			
• At any time 5% owner	No limit	No limit	§414(q)(1)(A)
• Any employee	\$ 150,000	\$ 135,000	§414(q)(1)(B)
• One of top-paid employees	Optional	Optional	§414(q)(1)(B)
Key Employee Levels			
• Highly compensated	\$ 215,000	\$ 200,000	§416(i)(1)(A)(i)
• 10 highest paid employees with largest interest	N/A	N/A	§416(i)(1)(A)(ii)
• 5% owner	No limit	No limit	§416(i)(1)(A)(iii)
• 1% owner	\$ 150,000	\$ 150,000	§416(i)(1)(A)(iv)
SEP Plans			
• Mandatory plan participation	\$ 750	\$ 650	§408(k)(2)(C)
• Compensation amount	\$ 330,000	\$ 305,000	§408(k)(3)(C)
-- Collectively bargained	\$ 330,000	\$ 305,000	§408(k)(3)(C)
ESOP			
• Threshold for exception to 5-yr. distribution requirement	\$ 1,330,000	\$ 1,230,000	§409(o)(1)(C)(ii)
• Incremental amt. for distribution	\$ 265,000	\$ 245,000	§409(o)(1)(C)(ii)
Control Employees			
• Private sector			
-- Board or shareholder-appointed or elected official	\$ 130,000	\$ 120,000	Reg. §1.61-21(f)
-- Any employee	\$ 265,000	\$ 245,000	Reg. §1.61-21(f)
• Governmental employee	\$ 172,100	\$ 165,300	Reg. §1.61-21(f)

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† Based on info available as of January 30, 2023.

SOCIAL SECURITY (OASDI) & MEDICARE (HI) TAX

Year	Fund	Wage Limit	Max. Rate	Tax
2023	OASDI	\$160,200	6.20%	\$9,932.40
	HI		2.35%*	No limit
2022	HI	All wages	1.45%**	No limit
	OASDI	\$147,000	6.20%	\$9,114.00
	HI		2.35%*	No limit
	HI	All wages	1.45%**	No limit

* The employee HI rate is 1.45% on all wages plus an additional 0.9% on wages over \$200,000.

** The employer HI rate is 1.45% on all wages.

FEDERAL UNEMPLOYMENT TAX

Wage Limit	Rate	Maximum Credit	Deposit Rate
\$7,000	6.0%	5.4%	0.60%

TAX-FREE COMMUTING BENEFITS (PER MONTH)

	2023	2022
Employee Parking	\$ 300	\$ 280
Transit Passes/Van Pools	\$ 300	\$ 280
Bicycle	\$ 0	0

FEDERAL MILEAGE RATES

	2023	2022
Business mileage	65.5¢	62.5¢ ⁽²⁾
Moving ⁽¹⁾	22.0¢	22.0¢ ⁽²⁾
Charitable	14.0¢	14.0¢
Medical	22.0¢	22.0¢ ⁽²⁾

FEDERAL MINIMUM WAGE

\$7.25 per hour

LUXURY CAR

Vehicles not eligible for cents-per-mile rule⁽³⁾

If vehicle placed in service in 2023	Value cannot exceed . . .
Autos	\$60,800
Trucks and Vans	\$60,800

⁽¹⁾ The exclusion for qualified moving expense reimbursements is suspended for taxable years 2018 through 2025 except for eligible servicemembers.

⁽²⁾ These rates are for the third and fourth quarters of 2022.

⁽³⁾ If the cents-per-mile method cannot be used, the employer must use the annual lease-value method or a general valuation standard to determine the value of an employee's personal use of a company-provided vehicle.



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