

2023 Cost of Living Adjustments



Indexed Figures for 2023

The IRS and other relevant agencies have released 2023 indexed amounts, adjusted for inflation, for health savings account contribution limits and deductibles, out-of-pocket (OOP) maximums for high-deductible health plans (HDHPs), Healthcare Spending Accounts (health FSAs) and others. Please use these figures to prepare benefit guides and other employee communication materials and to determine benefit plan designs.

	2022	2023
Employee Benefits		
401(k) & 403(b) Limit	\$20,500	\$22,500
401(k) & 403(b) Catch-up	\$ 6,500	\$ 7,500
457(b)(2) Limit	\$20,500	\$22,500
457(b) Catch-up	\$ 6,500	\$ 7,500
SIMPLE Deferral Limit	\$14,000	\$15,500
SIMPLE Catch-Up	\$ 3,000	\$ 3,500
Annual Compensation Limit	\$305,000	\$330,000
Highly Compensated Employee Salary Amount	\$135,000	\$150,000
Annual Compensation for Key Employee	\$200,000	\$215,000
Defined Benefit Plan Limit	\$245,000	\$265,000
Defined Contribution Plan Limit	\$ 61,000	\$ 66,000
Qualified Transportation Fringe Benefits		
Parking (monthly)	\$280	\$300
Mass Transit Passes (monthly)	\$280	\$300
FICA Taxable Wage Base		
Social Security	\$147,000	\$160,200
Medicare	Unlimited	Unlimited
FICA Tax Rate		
Social Security	6.20%	6.20%
Medicare	1.45%	1.45%
Health Care Flexible Spending Account Maximum	\$ 2,850	\$ 3,050
Health Care FSA Carryover Maximum (for following year)	\$ 570	\$ 610
Dependent Care Spending Account Maximum	\$ 5,000	\$ 5,000
Adoption Assistance Plans	\$14,890	\$15,950
Non-grandfathered Plan Out-of-Pocket Limits		
Self-only Coverage	\$ 8,700	\$ 9,100
Family Coverage	\$17,400	\$18,200
Health Savings Account		
Maximum Individual Contribution	\$ 3,650	\$ 3,850
Maximum Family Contribution	\$ 7,300	\$ 7,750
Catch-up Contribution	\$ 1,000	\$ 1,000
High Deductible Health Plans		
Minimum Annual Deductible (Individual)	\$ 1,400	\$ 1,500
Minimum Annual Deductible (Family)	\$ 2,800	\$ 3,000
Maximum Out-of-Pocket Limit (Individual)	\$ 7,050	\$ 7,500
Maximum Out-of-Pocket Limit (Family)	\$14,100	\$15,000
Individual Mandate Penalty		
	\$0	\$0
Employer Shared Responsibility Penalty		
Failure to offer MEC to 95% of FT employees (IRC 4980H(a))	\$2,750	\$2,880
Failure to offer MEC that is affordable and/or minimum value	\$4,120	\$4,320
Affordability threshold for employee only coverage	9.61%	9.12%
Standard mileage rate	Deduction suspended until 2026	Deduction suspended until 2026