

January 19, 2023

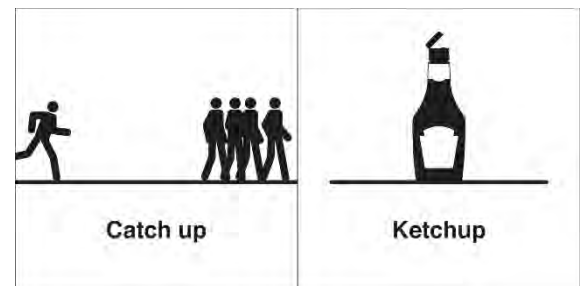
We investigated the new Required Minimum Distribution (RMD) rules and 529-rollover-to-Roth-IRA strategy, so upsizing retirement savings is next on our list:

Catch-Up Contributions (for people 50+)

In one's 50s and 60s, thoughts may turn towards retirement...along with the feeling that savings may be lacking.

It's also likely that savers over 50 are in their peak earning years, when extra savings are possible.

How pleasant when a problem and solution appear at the same time! After a saver turns 50, extra contributions to tax-sheltered retirement accounts are allowed, over and above the standard amounts.



The SECURE Act 2.0 expands catch-up contributions in a few important ways:

- It bumped up the regular and catch-up contribution limits across tax shelters.
- In 2024, catch-up contribution increases will be tied to inflation, just like regular contributions are currently.
- In 2025, employer plans will allow **even higher contributions for people who are 60, 61, 62, and 63**. The maximum catch-up contribution will be the larger of \$10,000 (\$5,000 for SIMPLE IRAs only) or 150% of the 2024 regular catch-up contribution.

2023 Contribution Limit Increases			
Contribution	2022 Limit	2023 Limit	Change
401(k)/403(b) Employee Contribution	\$20,500	\$22,500	\$2,000
401(k)/403(b) Catch-Up Contribution	\$6,500	\$7,500	\$1,000
401(k)/403(b) Total Contribution <50	\$61,000	\$66,000	\$5,000
401(k)/403(b) Total Contribution 50+	\$67,500	\$73,500	\$6,000
457(b) Contribution	\$20,500	\$22,500	\$2,000
Traditional IRA Contribution	\$6,000	\$6,500	\$500
Traditional IRA Catch-Up Contribution	\$1,000	\$1,000	\$0
Roth IRA Contribution	\$6,000	\$6,500	\$500
Roth IRA Catch-Up Contribution	\$1,000	\$1,000	\$0
SEP-IRA Contribution	\$61,000	\$66,000	\$5,000
SIMPLE IRA/SIMPLE 401(k) Contribution	\$14,000	\$15,500	\$1,500
HSA Contribution (single)	\$3,650	\$3,850	\$200
HSA Contribution (family)	\$7,300	\$7,750	\$450
Healthcare FSA Contribution	\$2,850	\$3,050	\$200

Upcoming

Next week, you'll see a grab bag of **new** rules for penalty-free retirement account withdrawals.