

December 2022

Certain limitations and base amounts may be adjusted each year. Some of the adjustments are as follows:

|   | <u>2023</u>        | <u>2022</u>      | <u>2021</u>      |
|---|--------------------|------------------|------------------|
| 401(k) deferral limit                           | \$22,500/*\$30,000 | \$20,500/*27,000 | \$19,500/*26,000 |
| SIMPLEs   | \$15,500/*19,000   | \$14,000/*17,000 | \$13,500/*16,500 |
| IRAs  | \$6,500/*7,500     | \$6,000/*7,000   | \$6,000/*7,000   |
| Compensation limit for qualified plan & SEP     | \$330,000          | \$305,000        | \$290,000        |
| Defined contribution annual addition limitation | \$66,000           | \$61,000         | \$58,000         |
| Employer deduction percentage limit             | 25%                | 25%              | 25%              |
| Social Security wage base                       | \$160,200          | \$147,000        | \$142,800        |
| Social Security tax rate – Employer & Employee  | 6.2%               | 6.2%             | 6.2%             |
| Medicare wage base                              | Unlimited          | Unlimited        | Unlimited        |
| Medicare tax rate - Employer                    | 1.45%              | 1.45%            | 1.45%            |
| Medicare tax rate - Employee                    | 1.45%-2.35%**      | 1.45%-2.35%**    | 1.45%-2.35%**    |
| Minnesota unemployment tax wage base            | \$40,000           | \$38,000         | \$35,000         |
| Social Security limit on outside earnings       |                    |                  |                  |
| Under full retirement age                       | \$21,240           | \$19,560         | \$18,960         |
| Retirement age or older                         | Unlimited          | Unlimited        | Unlimited        |
| Automobile mileage rates                        |                    |                  |                  |
| Business miles                                  | \$.655             | \$0.585/^\$0.625 | \$0.56           |
| Charitable miles                                | .14                | \$0.14           | \$0.14           |
| Medical miles or moving miles                   | \$.22              | \$0.18/^\$0.22   | \$0.16           |
| Health Savings Accounts Contribution Limits     |                    |                  |                  |
| Self-coverage maximum                           | \$3,850            | \$3,650          | \$3,600          |
| Family coverage maximum                         | \$7,750            | \$7,300          | \$7,200          |
| Catch-up contribution if 55 or older            | \$1,000            | \$1,000          | \$1,000          |
| Estate  |                    |                  |                  |
| Federal estate tax exemption                    | \$12,920,000+      | \$12,060,000+    | \$11,700,000+    |
| MN estate tax exemption                         | \$3,000,000        | \$3,000,000      | \$3,000,000      |
| Annual gift exclusion                           | \$17,000           | \$16,000         | \$15,000         |

- \* Higher limit if you are at least 50 years old by the end of the year
- \*\* Higher rate on wages in excess of \$200,000 (\$250,000 MFJ/\$125,000 MFS)
- ^ Rate increase for July 1<sup>st</sup> to December 31<sup>st</sup>
- + Plus Portability from deceased spouse (DSUEA)

If you have any questions, do not hesitate to call. Thank you for giving us the opportunity to serve you.