

# INSIDE edge

4<sup>th</sup> Quarter 2021

## Maximum Allowable Contribution (MAC) Limits for 2022

U.S. OMNI & TSACG Compliance Services is committed to providing our clients with the most current 403(b), 457(b), and 401(k) Plan information as it is released by the IRS. The latest IRS information concerning MAC limits indicates that the normal limit has been increased for calendar year 2022.

### MAC Limits for 2022

- The normal calendar year limit for 403(b), 457(b) and 401(k) plans will increase by \$1,000 from \$19,500 to \$20,500 for 2022.
- The age-based additional amount (age 50 by 12/31/2022) remains unchanged at \$6,500 for 2022.
- Any other catch-up options that may be applicable to your Plan(s) remain unchanged.

### Examples

All employees, regardless of age or years of service, may contribute up to \$20,500 to their 403(b), 457(b) or 401(k) account in 2022. (The limit is coordinated for 403(b) and 401(k) accounts. 457(b) accounts are not coordinated with other plans.) Employees who will attain age 50 by 12/31/2022 may contribute an additional \$6,500 to 403(b), 457(b) and/or 401(k) accounts in 2022. (This limit is coordinated for 403(b) and 401(k) accounts.)

### IRC §415 Limit

The overall employee and employer contribution limit for 401(a), 401(k) and 403(b) plans increases by \$3,000 to a total of \$61,000 effective January 1, 2022. This overall defined contribution limit is of special importance to those plan sponsors with Special Pay Plans that are designed to accommodate accumulated leave payments.

### Summary of Maximum Contribution Limits for 2022 and 2021\*

	<u>2022</u>	<u>2021</u>
Elective Deferrals (401(k) & 403(b) Plans)	\$20,500.00	\$19,500.00
457 Deferral Limit	\$20,500.00	\$19,500.00
Age Based Catch-Up Contributions (403(b) & 457(b) Plans)	\$6,500.00	\$6,500.00
Service Based Catch-Up Contributions (403(b) Plan Only)	\$3,000.00	\$3,000.00
Annual Additions Limit (401(k) & 403(b) Plans Only)	\$61,000.00	\$58,000.00
Combination of Employee & Employer Contributions		

\*as published by the Internal Revenue Service

Questions regarding this information should be directed to your Plan Consultant.

# Changes to USPS Delivery Times May Affect Checks Mailed To U.S. OMNI & TSACG Compliance Services

On October 1, 2021, the United States Postal Service (USPS) implemented revised service standards for certain First-Class Mail items. This change has the potential to impact the delivery window of any mail you may send to U.S. OMNI & TSACG Compliance Services by up to five days or more.

If you are sending checks to any of our offices for remittance payments or invoice payments, your mail may miss an important deadline or due date. To help ensure your funds are not delayed, we would like to remind all Plan Sponsors that we offer electronic options for you to submit funds to us:

- Remittances – Our EPARS remittance system allows you to submit your contribution file and transmit your remittance payment electronically at no cost. Contact our EPARS Team at [epars@tsacg.com](mailto:epars@tsacg.com) for more information on this service.
- Invoice Payments – Our Business Administration Team can assist you in submitting your invoice payment via ACH, which allows you to stop issuing and mailing checks. Contact one of our team members today for more information: 888-777-5827 option 7.

When it comes to money management, we strive to help our clients utilize the most secure and efficient methods of transmission. Contact us today so we can discuss how we can help you.

For more information regarding the USPS changes, visit [usps.com](https://usps.com).



## Legal & Compliance Review

### Are You Protected in the Event of an Audit?

IRS audits are a product of the 2009 Regulations and have been increasing in activity since 2011. The current years under examination are 2018-2019.

U.S. OMNI & TSACG Compliance Services is here to assist you with 403(b) and 457 audits. OMNI/TSACG have been involved in over 100 public education audits since 2011. Common audit concerns include Universal Availability notices, Maximum Allowable Contribution monitoring, permissibility of Employer Non-Elective Contributions, Salary Reduction Agreements, and Transaction Eligibility.

For more information on the IRS Audit process or OMNI/TSA's services, please contact your Plan Consultant or our Plan Services Team.

