2022 Deferred Compensation Plan Limits

Evaluate Your Deferred Compensation Plan Account! Year-end is a good time to review and evaluate your Deferred Compensation Plan (DCP) and see how contributing a few dollars more can result in increasing your account with additional earnings and help to meet your retirement goals. The chart below shows how increasing your contributions by just 1% can help to increase your account balance while you are working!

Your contributions to your DCP account are limited by the IRS. For calendar year 2022 the limits are:

- Annual contribution limit is increased to $20,500;
- 50-Plus Catch-up limit for participants age 50 or older remains at $6,500, which means you can defer up to $27,000 if you are at least age 50 during 2022.
- If you are eligible* for the 3-year catch-up contribution, you may defer up to $41,000.

**Please contact the Fidelity onsite representative via email or call (240) 777-8228 to validate eligibility.

Every tax deferred contribution you make to your DCP account saves you taxes. If you contribute $10 on a pre-tax basis, your take home pay will only decrease by about $7.50. If you decide to contribute on a Roth basis, your earnings accumulate tax free, but your take home pay will reduce by $10.

Fidelity has an interactive tool to assist you with seeing how making a small change in your contributions can make a big difference. Try it out by clicking here!