

Internal Revenue Code Section 415(b) Fact Sheet

Internal Revenue Code Section 415(b) – Defined Benefit Dollar Limit

Internal Revenue Code (IRC) Section 415(b) limits an individual's pension benefit amount. An individual's pension benefit amount is limited to the lesser of the OPERS benefit calculation or the IRC 415(b) limit. Only the portion of the pension benefit amount attributable to employer contributions as well as picked up employee contributions is compared to the limits under IRC 415(b).

The IRC 415(b) limit affecting public employees is the Dollar Limit. **The Dollar Limit for 2022 is \$245,000.** Under the Dollar Limit, which is adjusted based on age, the portion of the benefit amount attributable to employer contributions and picked up employee contributions may not exceed the dollar amounts for 2021, shown on the next page.

Only a small number of OPERS members are affected by the IRC 415(b) limit, which is indexed annually. Please contact OPERS for a determination of how IRC 415(b) may affect your retirement benefit.

For members impacted by the limit, OPERS has received approval from the Internal Revenue Service for its qualified excess benefit arrangement (QEBA). The QEBA permits payment of the portion of the OPERS pension benefit amount that exceeds the IRC 415(b) limit.

Internal Revenue Code Section 401(a)(17) – Compensation Limit

There is also a Federal limitation on compensation. The compensation limit (established by IRC section 401(a)(17)) is the amount beyond which no further retirement contributions may be deducted from an employee's earnable salary for a given year. This limit applies to all OPERS members, regardless of their retirement plan enrollment.

The 2022 compensation limits are:

\$305,000 for employees or elected officials establishing OPERS membership on or after Jan. 1, 1994.

\$450,000 for employees or elected officials establishing OPERS membership prior to Jan. 1, 1994. This limit is applied regardless of whether there has been a break in service or an account refund for previous service.

These limits are indexed annually.

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Retirement Age	Public Plan General Members	Public Plan Police and Fire Members
35	\$46,352	\$230,000
36	48,951	230,000
37	51,710	230,000
38	54,644	230,000
39	57,763	230,000
40	61,083	230,000
41	64,618	230,000
42	68,386	230,000
43	72,404	230,000
44	76,695	230,000
45	81,280	230,000
46	86,184	230,000
47	91,434	230,000
48	97,062	230,000
49	103,101	230,000
50	109,590	230,000
51	116,570	230,000
52	124,090	230,000
53	132,203	230,000
54	140,970	230,000
55	150,457	230,000
56	160,743	230,000
57	171,913	230,000
58	184,065	230,000
59	197,312	230,000
60	211,781	230,000
61	227,621	230,000
62	245,000	230,000
63	245,000	230,000
64	245,000	230,000
65 or older	\$245,000	\$230,000