

IRS Announces 2018 Plan Contribution and Benefit Limits

On October 19, 2017, the Internal Revenue Service announced cost-of-living adjustments affecting dollar limitations for pension plans and other retirement-related items for tax year 2018. See the chart below for further details.

The highlights of limitations that changed from 2017 to 2018 include the following:

- The 415(c) contribution limit applicable to defined contribution retirement plans increased from \$54,000 to \$55,000.
- The 401(a)(17) annual compensation limit applicable to retirement plans increased from \$270,000 to \$275,000.
- The elective deferral limit increased to \$18,500.

See the chart below for further details for the new 2018 limits, as well as those for recent tax years.

	2018	2017	2016	2015
RETIREMENT PLANS				
Annual Compensation Limits - 401(a)(17)/404(l)	275,000	270,000	265,000	265,000
Elective Deferrals 401(k)/403(b) - 402(g)(1)	18,500	18,000	18,000	18,000
Catch-up Contributions - 414(v)(2)(B)(i)	6,000	6,000	6,000	6,000
457 Elective Deferrals - 457(e)(15)	18,500	18,000	18,000	18,000
Defined Contribution Limits - 415(c)(1)(A)	55,000	54,000	53,000	53,000
Annual Compensation Grandfathered Governmental Plans	405,000	400,000	395,000	395,000
OTHER				
Highly Compensated Employee Threshold - 414(q)(1)(B)	120,000	120,000	120,000	120,000
Defined Benefit Limits - 415(b)(1)(A)	220,000	215,000	210,000	210,000
Key Employee - 416(i)(1)(A)(i)	175,000	175,000	170,000	170,000
Social Security Taxable Wage Base	128,700	127,200	118,500	118,500
IRAS				
IRA Contribution Limit - 219(b)(5)(A)	5,500	5,500	5,500	5,500
IRA Catch-Up Contributions - 219(b)(5)(B)	1,000	1,000	1,000	1,000
SEP				
SEP Minimum Compensation - 408(k)(2)(C)	600	600	600	600
SEP Maximum Compensation - 408(k)(3)(C)	275,000	270,000	265,000	265,000
SIMPLE PLANS				
SIMPLE Maximum Contributions - 408(p)(2)(E)	12,500	12,500	12,500	12,500
SIMPLE Catch-up Contributions - 414(v)(2)(B)(ii)	3,000	3,000	3,000	3,000
All figures in dollars.				

All figures in US dollars