

COST OF LIVING INCREASES

Dollar Limitations on Benefits and Contributions

The Internal Revenue Code provides for dollar limitations on benefits and contributions under qualified retirement plans. Code Section 415 requires the limit to be adjusted annually for cost-of-living increases. IRS announced these increases on October 19, 2017.

	Y E A R (Beginning January 1)	
	2018	2017
IRA		
Contribution Limit - 219(b)(5)(A)	\$5,500	\$5,500
Catch-Up Contributions Limit - 219(b)(5)(B)	1,000	1,000
AGI Deduction Phase-out Starting at		
Joint Return	101,000	99,000
Single or Head of Household	63,000	62,000
SEP		
Minimum Compensation - 408(k)(2)(C)	\$600	\$600
Maximum Compensation - 408(k)(3)(C)	275,000	270,000
SIMPLE Plans		
Salary Reduction:		
Maximum Contributions - 408(p)(2)(E)	\$12,500	\$12,500
Catch-up Contributions - 414(v)(2)(B)(ii)	3,000	3,000
Maximum Er Contributions	3% Match, 2% No-elective	
401(k), 403(b), Profit-Sharing Plans		
Annual Compensation - 401(a)(17)/404(l)	\$275,000	\$270,000
Elective Deferrals - 402(g)(1)	18,500	18,000
Catch-up Contributions - 414(v)(2)(B)(i)	6,000	6,000
Defined Contribution Limits - 415(c)(1)(A)	55,000	54,000
Other		
HCE Pay Threshold - 414(q)(1)(B)	\$120,000	\$120,000
Defined Benefit Limits - 415(b)(1)(A)	220,000	215,000
Key Employee Pay - 416(i)(1)(A)(i)	175,000	170,000
457 Elective Deferrals - 457(e)(15)	18,500	18,000
Control Employee - 1.61-21(f)(5)(i)	110,000	105,000
Control Employee - 1.61-21(f)(5)(iii)	220,000	215,000
Social Security Taxable Wage Base	128,700	127,200