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Employee Benefits and Human Resources Law

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2018 Cost-of-Living Adjustments for Retirement Plans

The Internal Revenue Service announced the following retirement plan limits for 2018. Many of the limits have increased for 2018, including the employee elective deferral limit to 401(k), 403(b) and 457(b) plans – which will increase from \$18,000 to \$18,500 effective January 1, 2018.

Dollar Limit	2017	2018
Defined Benefit Plan Benefit: I.R.C. §415(b)(1)(A)	\$ 215,000	\$ 220,000
Defined Contribution Plan: I.R.C. §415(c)(1)(A)	\$ 54,000	\$ 55,000
401(k)/403(b) Elective Deferral: I.R.C. §402(g)(1)	\$ 18,000	\$ 18,500
I.R.C. §457(b) Deferred Compensation Plan: (State and Local Governments and Tax Exempt Organizations) I.R.C. §457(e)(15)	\$ 18,000	\$ 18,500
Age 50 or Older Catch-Up Contribution: I.R.C. §414(v)(2)(B)(1)	\$ 6,000	\$ 6,000
Annual Compensation: I.R.C. §§401(a)(17) and 404(l)	\$ 270,000	\$ 275,000
Highly Compensated Employee: (compensation in the prior year in excess of:)	\$ 120,000	\$ 120,000
Top-Heavy Plan Key Employee: I.R.C. §416(i)(1)(A)(i)	\$ 175,000	\$ 175,000

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