

2018 Retirement Plan Limits

The Internal Revenue Service has published the cost of living adjustments (COLA) applicable to dollar limitations for employee-sponsored retirement and welfare plans, indicating slight adjustments for the 2018 tax year.

Although some limits currently in effect for 2017 will change, some of the limits will remain unchanged in 2018. Contribution and benefit limits effective January 1, 2018 are as follows:

	2015	2016	2017	2018
Defined Benefit maximum	\$210,000	\$210,000	\$215,000	\$220,000
Defined Contribution maximum	\$53,000	\$53,000	\$54,000	\$55,000
Maximum employee pre-tax contribution (pre-tax plus Roth combined) to:				
401(k) and/or 403(b) Plan combined	\$18,000	\$18,000	\$18,000	\$18,500
457 Plan	\$18,000	\$18,000	\$18,000	\$18,500
Simple 401(k)	\$12,500	\$12,500	\$12,500	\$12,500
Maximum employee catch-up contribution (pre-tax plus Roth combined) to:				
401(k) and/or 403(b) Plan combined	\$6,000	\$6,000	\$6,000	\$6,000
457(b) Plan	\$6,000	\$6,000	\$6,000	\$6,000
Simple 401(k)	\$3,000	\$3,000	\$3,000	\$3,000
Compensation cap	\$265,000	\$265,000	\$270,000	\$275,000
Highly compensated threshold	\$120,000	\$120,000	\$120,000	\$120,000
Key employee threshold	\$170,000	\$170,000	\$175,000	\$175,000

	2015	2016	2017	2018
Old age & disability	\$118,500	\$118,500	\$127,200	\$128,400
Medicare	No Max.	No Max.	No Max.	No Max.

Plan sponsors should use this information to update payroll and plan administration systems. Please contact your H&H consultant with questions or to learn more about how these updates apply to your plans.