

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

	2015	2016	2017	2018
<b>Old age &amp; disability</b>	\$118,500	\$118,500	\$127,200	<b>\$128,700</b>
<b>Medicare</b>	No Max.	No Max.	No Max.	<b>No Max.</b>

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.