

RETIREMENT PLAN DOLLAR LIMITATION ON BENEFITS AND CONTRIBUTIONS

The IRS has announced the 2019 cost-of-living adjustments (COLAs) with respect to retirement plan limits. Many limits are changed for 2019 since the increase in the cost-of-living index met the statutory thresholds that trigger their adjustment. However, others remain unchanged.

	2019	2018	2017
IRAs			
IRA Contribution Limit	6,000	5,500	5,500
IRA Catch-Up Contributions	1,000	1,000	1,000
SEP			
SEP Minimum Compensation	600	600	600
SEP Maximum Contribution	56,000	55,000	54,000
SEP Maximum Compensation	280,000	275,000	270,000
SIMPLE Plans			
SIMPLE Maximum Contributions	13,000	12,500	12,500
Catch-up Contributions	3,000	3,000	3,000
401(k), 403(b), Profit-Sharing Plans, etc.			
Annual Compensation	280,000	275,000	270,000
Elective Deferrals	19,000	18,500	18,000
Catch-up Contributions	6,000	6,000	6,000
Defined Contribution Limits	56,000	55,000	54,000
ESOP Limits			
For determining maximum account balance subject to the general 5-yr distribution period.	1,130,000	1,105,000	1,080,000
For determining length of the general 5-yr distribution period.	225,000	220,000	215,000
Other			
HCE Threshold	125,000	120,000	120,000
Defined Benefit Limits	225,000	220,000	215,000
Key Employee	180,000	175,000	175,000
457 Elective Deferrals	19,000	18,500	18,000
Control Employee (board member or officer)	110,000	110,000	105,000
Control Employee (compensation-based)	225,000	220,000	215,000
Social Security Taxable Wage Base*	132,900	128,400	127,200

*On October 13, 2017, the SSA announced that the maximum amount of earnings subject to the Social Security tax (taxable wage base) was to increase to \$128,700 in 2018. In late October, however, a payroll service filed approximately 500,000 corrected Form W-2s that resulted in changes to the calculations used to determine the 2018 taxable wage base. The taxable wage base for 2018, based on the updated wage data, was \$128,400.

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