

IRS ANNUAL COST-OF-LIVING ADJUSTMENTS EMPLOYEE BENEFIT DOLLAR LIMITATIONS FOR 2018

**EFFECTIVE:
JANUARY 1, 2018**

Making a few adjustments, the IRS has released the 2018 cost-of-living adjustments applicable to the dollar limits and thresholds for retirement plans and health and welfare benefit plans. Plan sponsors should update their systems and formulas to include the limits that have been adjusted.

| RETIREMENT PLAN LIMITS | 2017 | 2018 |
|---|-----------|-----------|
| ELECTIVE DEFERRALS | | |
| 401(k) CONTRIBUTIONS | \$18,000 | \$18,500 |
| 403(b) CONTRIBUTIONS | \$18,000 | \$18,500 |
| 457 PLAN CONTRIBUTIONS | \$18,000 | \$18,500 |
| SIMPLE 401 (k) CONTRIBUTIONS | \$12,500 | \$12,500 |
| SIMPLE IRA CONTRIBUTIONS | \$12,500 | \$12,500 |
| CATCH-UP CONTRIBUTIONS | | |
| 401(k) CONTRIBUTIONS | \$6,000 | \$6,000 |
| 403(b) CONTRIBUTIONS | \$6,000 | \$6,000 |
| 457 PLAN CONTRIBUTIONS | \$6,000 | \$6,000 |
| SIMPLE 401 (k) CONTRIBUTIONS | \$3,000 | \$3,000 |
| SIMPLE IRA CONTRIBUTIONS | \$3,000 | \$3,000 |
| 415 ANNUAL ADDITIONS | | |
| DEFINED BENEFIT PLAN DOLLAR LIMIT | \$215,000 | \$220,000 |
| DEFINED CONTRIBUTION PLAN DOLLAR LIMIT | \$54,000 | \$55,000 |
| 401(a) (17) MAXIMUM ANNUAL PLAN COMPENSATION | \$270,000 | \$275,000 |
| 414(q) HIGHLY COMPENSATED EMPLOYEE | \$120,000 | \$120,000 |
| TOP-HEAVY KEY EMPLOYEE | | |
| OFFICERS | \$175,000 | \$175,000 |
| 1% OWNER | \$150,000 | \$150,000 |
| IRAs | | |
| ANNUAL CONTRIBUTION LIMIT | \$5,500 | \$5,500 |
| CATCH-UP CONTRIBUTIONS | \$1,000 | \$1,000 |
| FICA TAXABLE WAGE BASE | | |
| SOCIAL SECURITY (TAX RATE 6.2%) | \$127,200 | \$128,700 |
| MEDICARE (TAX RATE 1.45%) | NO LIMIT | NO LIMIT |
| HEALTH AND WELFARE BENEFIT PLAN LIMITS | 2017 | 2018 |
| CONTRIBUTION LIMITS FOR HSAs | | |
| SINGLE - CONTRIBUTION TO HSAs | \$3,400 | \$3,450 |
| FAMILY - CONTRIBUTION TO HSAs (Changed) | \$6,750 | \$6,900 |
| CATCH-UP CONTRIBUTION (55+) | \$1,000 | \$1,000 |

Source: IRS: Notice 2017-64 and IRS Notice 2017-37.