

October 19, 2017

TCRS 2017-01: Selected Pension Plan Limitations for 2018

**SELECTED PENSION PLAN LIMITATIONS FOR 2014 – 2018**

<b>Benefit Limit</b>	<b>2014</b>	<b>2015 and 2016</b>	<b>2017</b>	<b>2018</b>
IRC §415(b)(1)(A) Defined Benefit Dollar Limit for Plan Years Ending in	\$210,000	\$210,000	\$215,000	\$220,000 <sup>1</sup>
IRC §415(c)(1)(A) Defined Contribution Dollar Limit for Plan Years Ending in	\$52,000	\$53,000	\$54,000	\$55,000 <sup>2</sup>
Elective Deferral Limit for 401(k), 403(b) and 457(b) Plans IRC §§402(g)(1), 457(e)(15)	\$17,500	\$18,000	\$18,000	\$18,500 <sup>3</sup>
Catch-Up Limit for 401(k), 403(b) and 457(b) (gov. only) Plans (age 50+)	\$5,500	\$6,000	\$6,000	\$6,000 <sup>4</sup>
Minimum Compensation Amount for SEPs (Non-SIMPLE) IRC §408(k)(2)(C)	\$550	\$600	\$600	\$600
Maximum Compensation Limit for SEPs - IRC §§408(k)(3)(C), 408(k)(6)(D)(ii), Qualified Plans, IRC §§401(a)(17), 404(l) Plan Years beginning in	\$260,000	\$265,000	\$270,000	\$275,000 <sup>5</sup>
Highly Compensated Employee Definitional Limits IRC §414(q)(1)(B)	\$115,000	\$120,000	\$120,000	\$120,000 <sup>6</sup>
ESOP Payout Limits IRC §409(o)(1)(C)(ii)	\$210,000 \$1,050,000	\$210,000 \$1,070,000	\$215,000 \$1,080,000	\$220,000 <sup>7</sup> \$1,105,000 <sup>8</sup>
SS Taxable Wage Base	\$117,000	\$118,500	\$127,200	\$128,700
Contribution Limit for SIMPLE IRC §408(p)(2)(E)	\$12,000	\$12,500	\$12,500	\$12,500 <sup>9</sup>
Catch-Up Limits for SIMPLE 401(k) Plan (age 50+)	\$2,500	\$3,000	\$3,000	\$3,000 <sup>10</sup>
Key Employee Officer Comp. IRC §416(i)(1)(A)(i)	\$170,000	\$170,000	\$175,000	\$175,000 <sup>11</sup>
Contribution Limit to an IRA	\$5,500	\$5,500	\$5,500	\$5,500
Catch-Up Limit to an IRA (age 50+)	\$1,000	\$1,000	\$1,000	\$1,000

**Legend:**

- <sup>1</sup> The benefit limit is the lesser of (i) the 2018 dollar limit, or (ii) 100% of the employee's average compensation for his high 3 years.
- <sup>2</sup> The benefit limit is the lesser of (i) the 2018 dollar limit, or (ii) 100% of employee compensation. NOTE: 1. The 100% is reduced to 25% for SEPs by the contribution limitations of IRC §402(h)(2)(A), and 2. SIMPLEs are not subject to IRC §415.
- <sup>3</sup> COLA increase, if any, is in \$500 increments.
- <sup>4</sup> COLA increase, if any, is in \$500 increments.
- <sup>5</sup> COLA increase, if any, is in \$5,000 increments.
- <sup>6</sup> For determining HCE's in 2018, use the 2017 Compensation (\$120,000), due to the look-back year rule.
- <sup>7</sup> Amount used to determine the lengthening of the 5-year distribution period.
- <sup>8</sup> Amount used for determining the maximum account balance in an ESOP subject to a 5-year distribution period.
- <sup>9</sup> COLA increase, if any, is in \$500 increments.
- <sup>10</sup> COLA increase, if any, is in \$500 increments.
- <sup>11</sup> Compensation for plan year ending on the determination date (last day of the prior plan year).

*This Summary is designed to provide an overview of the Selected Pension Plan Limitations for 2018 and is not intended to be comprehensive. The Transamerica Center for Retirement Studies® ("TCRS") is a division of Transamerica Institute® ("TI"), a nonprofit, private foundation. TI is funded by contributions from Transamerica Life Insurance Company and its affiliates and may receive funds from unaffiliated third parties. For more information about TCRS, please refer to [www.transamericacenter.org](http://www.transamericacenter.org). TCRS and its representatives cannot give ERISA, tax, investment or legal advice. This material is provided for informational purposes only and should not be construed as ERISA, tax, investment or legal advice. Interested parties must consult and rely solely upon their own independent advisors regarding their particular situation and the concepts presented here. Although care has been taken in preparing this material and presenting it accurately, TCRS disclaims any express or implied warranty as to the accuracy of any material contained herein and any liability with respect to it.*