

2018 Cost Of Living Adjustments Announced

Insight — October 19, 2017

The Internal Revenue Code provides for dollar limitations on benefits and contributions under qualified retirement plans. Today, the Internal Revenue Service announced the 2018 cost-of-living adjustments affecting dollar limitations for qualified retirement plans. Some limits remain unchanged, and several have been increased as shown below.

401(k), 403(b), Profit-Sharing Plans, etc.			
	2018	2017	2016
Annual Compensation	275,000	270,000	265,000
Elective Deferrals	18,500	18,000	18,000
Catch-up Contributions	6,000	6,000	6,000
Defined Contribution Limit	55,000	54,000	53,000
ESOP Distribution Limits	1,105,000 220,000	1,080,000 215,000	1,070,000 210,000
Defined Benefit Limit	220,000	215,000	210,000
HCE Threshold	120,000	120,000	120,000
Key Employee	175,000	175,000	170,000
457 Elective Deferrals	18,500	18,000	18,000
Taxable Wage Base	128,400*	127,200	118,500

* Revised per November 27, 2017 press release from the Social Security Administration

For a historical chart of the applicable dollar limitations since 1985, click [here](#).

For questions about the qualified plan limitations or any other benefits question, contact a member of Holland & Hart's Benefits Law Group.

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