

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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