

2018 Internal Revenue Code Retirement Plan/Savings Cost of Living Adjusted Limitations & Amounts

[Notice 2017-64](#), IRB 2017-45 (November 6, 2017) provides a listing of the 2018 annual cost-of-living adjustments (COLAs) to the dollar limitations applicable to the Internal Revenue Code Section 415 qualified retirement plans benefit and contribution limits. The Section 415 limitations COLAs are made and published annually to comply with Section 415(d)'s requirement that the Treasury Security annually adjust these limits for cost-of-living increases. Other limitations applicable to deferred compensation plans are also affected by these adjustments under § 415. Under § 415(d), the adjustments are to be made under adjustment procedures similar to those used to adjust benefit amounts under § 215(i)(2)(A) of the Social Security Act. The 2018 415 benefit and contribution limitation COLA adjusted amounts announced in Notice 2017-64 are as follows:

Code Limitation	2017	2018
§ 415(b)(1)(A) defined benefit plan annual benefit limitation	\$215,000	\$220,000
§ 415(b)(1)(B) defined benefit plan limitation for a participant who separated from service before January 1, 2018		Participant's compensation limitation, as adjusted through 2017, multiplied by 1.0197
§ 415(c)(1)(A) defined contribution plans limitation	\$54,000	\$55,000
§ 402(g)(1) limitation on the exclusion for elective deferrals described in § 402(g)(3)	\$18,000	\$18,500
§§ 401(a)(17), 404(l), 408(k)(3)(C), and 408(k)(6)(D)(ii) annual compensation limitations	\$270,000	\$275,000
§ 416(i)(1)(A)(i) top-heavy plan "key employee" definition amount	\$175,000	\$175,000
§ 409(o)(1)(C)(ii) maximum account balance in an employee stock ownership plan subject to a 5-year distribution period	\$1,080,000	\$1,105,000
§ 409(o)(1)(C)(ii) dollar amount used to determine lengthening of 5-year distribution period	\$215,000	\$220,000
§ 414(q)(1)(B) "highly compensated employee" definition compensation limitation	\$120,000	\$120,000
§ 414(v)(2)(B)(i) catch-up contributions dollar limit for individuals aged 50 or over other than For plan described in § 401(k)(11) or § 408(p)	\$6000	\$6000
§ 414(v)(2)(B)(ii) catch-up contributions for individuals aged 50 or over remains for plan described in § 401(k)(11) or 408(p)	\$3000	\$3000
§ 401(a)(17) annual compensation limitation under for eligible participants in certain governmental plans that, under the plan as in effect on July 1, 1993, allowed cost-of-living adjustments to the compensation limitation under the plan under § 401(a)(17) to be taken into account	\$400,000	\$405,000
§ 408(k)(2)(C) limitation regarding simplified employee pensions (SEPs)	\$600	\$600
§ 408(p)(2)(E) limitation regarding SIMPLE retirement accounts	\$12,500	\$12,500
§ 457(e)(15) deferral limitation for deferred compensation plans of state and local governments and tax-exempt organizations	\$18,000	\$18,500
§ 664(g)(7) limitations for qualified gratuitous transfer of qualified employer securities to an employee stock ownership plan	\$45,000	\$50,000
Compensation amounts under § 1.61-21(f)(5)(i) of the Income Tax Regulations concerning the definition of "control employee" for fringe benefit valuation purposes	\$105,000	\$110,000
Compensation amount under § 1.61-21(f)(5)(iii)	\$215,000	\$220,000
Dollar limitation on premiums paid with respect to a qualifying longevity annuity contract under § 1.401(a)(9)-6, A-17(b)(2)(i) of the Income Tax Regulations	\$125,000	\$130,000
Threshold used to determine whether a multiemployer plan is a systemically important plan under § 432(e)(9)(H)(v)(III)(aa)	\$1,012,000,000	\$1,087,000,000
§25B(b)(1)(A) adjusted gross income limitation for determining the retirement savings contributions credit for married taxpayers filing a joint return	\$37,000	\$38,000
§ 25B(b)(1)(B) limitation	\$40,000	\$41,000
§§ 25B(b)(1)(C) and 25B(b)(1)(D) limitation	\$62,000	\$63,000
§ 25B(b)(1)(A) adjusted gross income limitation for determining the retirement savings contributions credit for taxpayers filing as head of household	\$27,750	\$28,500
§ 25B(b)(1)(B) limitation	\$30,000	\$30,750
§§ 25B(b)(1)(C) and 25B(b)(1)(D) limitation	\$46,500	\$47,250
§ 25B(b)(1)(A) adjusted gross income limitation for determining the retirement savings contributions credit for all other taxpayers	\$18,500	\$19,000
§ 25B(b)(1)(B) limitation	\$20,000	\$20,500
§§ 25B(b)(1)(C) and 25B(b)(1)(D) limitation	\$31,000	\$31,500
§ 219(b)(5)(A) deductible amount for an individual making qualified retirement contributions	\$5500	\$5500
§ 219(g)(3)(B)(i) applicable dollar amount for determining the deductible amount of an IRA contribution for taxpayers who are active participants filing a joint return or as a qualifying widow(er)	\$99,000	\$101,000
§ 219(g)(3)(B)(ii) applicable dollar amount for all other taxpayers who are active participants (other than married taxpayers filing separate returns)	\$62,000	\$63,000
§ 219(g)(3)(B)(iii) the applicable dollar amount for a married individual filing a separate return if the individual or the individual's spouse is an active participant*	\$0	\$0
§ 219(g)(7)(A) applicable dollar amount under for a taxpayer who is not an active participant but whose spouse is an active participant	\$186,000	\$189,000
§ 219(g)(2)(A) deduction for taxpayers making contributions to a traditional IRA is phased out for single individuals and heads of household who are active participants in a qualified plan (or another retirement plan specified in § 219(g)(5)) and have adjusted gross incomes (as defined in § 219(g)(3)(A))	\$63,000 - \$73,000	\$63,000 - \$73,000
§ 219 IRA income phaseout range for married couples filing jointly where the spouse who makes the IRA contribution is an active participant	\$99,000 and \$119,000	\$101,000 - \$121,000
§ 219 IRA deduction phaseout for an IRA contributor who is not an active participant and is married to someone who is an active participant	\$186,000- \$196,000	\$189,000- \$199,000
§219 IRA deduction phaseout range for a married individual filing a separate return who is an active participant*	\$0-10,000	\$0-10,000
§ 408A(c)(3)(B)(ii)(I) adjusted gross income limitation under for determining the maximum Roth IRA contribution for married taxpayers filing a joint return or for taxpayers filing as a qualifying widow(er)	\$186,000	\$189,000
§ 408A(c)(3)(B)(ii)(II) adjusted gross income limitation for all other taxpayers (other than married taxpayers filing separate returns)	\$118,000	\$120,000
§ 408A(c)(3)(B)(ii)(III) applicable dollar amount for a married individual filing a separate*	\$0	\$0
§ 408A(c)(3)(A) adjusted gross income phase-out range for married taxpayers filing jointly making contributions to a Roth IRA	\$186,000-\$196,000	\$189,000-\$199,000
§ 408A(c)(3)(A) adjusted gross income phase-out range for singles and heads of household	\$118,000-\$133,000	\$120,000-\$135,000
§ 408A(c)(3)(A) adjusted gross income phase-out range for a married individual filing a separate return*	\$0 to \$10,000	\$0 to \$10,000

* Not subject to COLA under the Code. **NOTICE:** The information in this publication are provided for general informational and purposes only subject to the following understanding that they do not establish an attorney-client relationship, are not legal advice, and do not serve as a substitute for legal or tax advice. Specific facts and circumstances, changing guidance and rules or other factors may impact their applicability, use and/or implications. No comment or statement in this publication is to be construed as an admission. The author reserves the right to qualify or retract any of these statements at any time. Likewise, the content is not tailored to any particular situation and does not necessarily address all relevant issues. Because the law is rapidly evolving and rapidly evolving rules makes it highly likely that subsequent developments could impact the currency and completeness of this discussion. The presenter and the program sponsor disclaim, and have no responsibility to provide any update or otherwise notify any participant of any such change, limitation, or other condition that might affect the suitability of reliance upon these materials or information otherwise conveyed in connection with this program. Readers may not rely upon, are solely responsible for, and assume the risk and all liabilities resulting from their use of this publication. **Circular 230 Compliance.** The following disclaimer is included to ensure that we comply with U.S. Treasury Department Regulations. Any statements contained herein are not intended or written by the writer to be used, and nothing contained herein can be used by you or any other person, for the purpose of (1) avoiding penalties that may be imposed under federal tax law, or (2) promoting, marketing or recommending to another party any tax-related transaction or matter addressed herein. ©2017 Cynthia Marcotte Stamer.