



Benefit and Contribution Limits for 2018

By: Marc Purintun, Brydon M. DeWitt & Nona K. Massengill

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The Commissioner of Internal Revenue announced the 2018 dollar limitations for benefits and contributions that apply to retirement plans. Some limits have increased while others remained the same. The Social Security Administration increased the Social Security taxable wage base. Increases for health savings accounts were announced this summer. The following chart shows the 2018 limits and the similar limits for 2017.

Benefit Limits Under the Internal Revenue Code and Social Security		
Description	2017 Limit	2018 Limit
Compensation Cap under 401(a)(17)	\$270,000	\$275,000
Elective Deferral Limitation under 402(g)(1) for elective deferrals for 401(k) plans, SEPs and 403(b) plans	\$18,000	\$18,500

Catch-Up Contributions for Individuals Age 50 and Older	\$6,000	\$6,000
Defined Benefit Maximum Annual Accrual	\$215,000	\$220,000
Defined Contribution Maximum Annual Addition	\$54,000	\$55,000
Highly Compensated Employee Compensation Limit	\$120,000	\$120,000
Key Employee in Top-Heavy Plans Compensation Limit	\$175,000	\$175,000
ESOP threshold for determining maximum account balance subject to 5-year distribution period	\$1,080,000	\$1,105,000
Regular Limit Additional amount to lengthen 5-year period	\$215,000	\$220,000
SEP Compensation Threshold for Participation	\$600	\$600

SIMPLE IRA Maximum Pre-Tax Contribution	\$12,500	\$12,500
Catch-Up Contributions for SIMPLE IRAs or SIMPLE 401(k) plans	\$3,000	\$3,000
Deferral Limit for 457(b) Plans of Government and Tax-Exempt Entities (457(b))	\$18,000	\$18,500
IRA Maximum Deduction	\$5,500	\$5,500
Social Security Taxable Wage Base	\$127,200	\$128,700
Health Savings Account Maximum Contributions	\$6,750	\$6,900
Family Coverage Single Coverage	\$3,400	\$3,450

Related People

- Brydon M. DeWitt ? 804.420.6917 ? bdewitt@williamsmullen.com
- Nona K. Massengill ? 804.420.6569 ? nmassengill@williamsmullen.com
- Marc Purintun ? 804.420.6310 ? mpurintun@williamsmullen.com

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