

BENEFITS BRIEF

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Many Pension Limits Will Increase in 2018

The IRS recently announced (Notice 2017-64, Oct. 19, 2017) that many of the key pension limits will increase next year based on recent cumulative inflation. Notably, after several years, the elective deferral limit has been raised.

The Social Security Administration and PBGC recently made similar announcements for the SS wage base, PBGC premiums, etc.

The chart below reflects the key limits, along with other frequently used benefit and compensation items, for 2018.

	2017	2018
401(k), 403(b), 457(b) and SARSEP Elective Deferrals	\$ 18,000	\$ 18,500
Catch-Up Contributions to 401(k), 403(b) and Governmental 457 Plans	6,000	6,000
Elective Contributions to SIMPLE Plans	12,500	12,500
Catch-Up Contributions to SIMPLE Plans	3,000	3,000
IRA Contributions	5,500	5,500
Catch-Up IRA Contributions	1,000	1,000
Annual Limitation on Compensation	270,000	275,000
415 Limitation on DB Benefits	215,000	220,000
415 Limitation on DC Plan Contributions	54,000	55,000
Highly Compensated Employee Threshold	120,000	120,000
Key Employee Compensation Threshold	175,000	175,000
Social Security Wage Base	127,200	128,400
PBGC Flat-Rate Premium (Single Employer Plans)	69	74
	34/1,000	38/1,000
PBGC Variable-Rate Premium (Single Employer Plans)	UVBs	UVBs
	(\$517 cap)	(\$523 cap)

There also will be modest increases in various AGI phase-out ranges, for IRA deductions, Roth IRA eligibility, and the savers' credit, for example. The qualified longevity annuity contract limit also increased from \$125,000 to \$130,000 for 2018.

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