

Alert

What Are the Retirement Plan Dollar Limits for 2019?

November 1, 2018

The Secretary of the Treasury announced the 2019 limits for qualified retirement plans and IRAs based on cost of living increases. The Consumer Price Index for All Urban Consumers is the benchmark used to determine the index. As a result, many of the 2019 dollar limits will increase as noted in the chart below and a few limits will remain flat. IRS Notice 2018-83 sets forth the annual dollar limitations effective Jan. 1, 2019, as required under Section 415(d) of the Internal Revenue Code. For 2019, employees will be able to defer up to \$19,000 into their qualified defined contribution plans, and an additional \$6,000 for those over the age of 50, for a combined total of \$25,000. Highly compensated employees who earn more than \$125,000 and who participate in both qualified and nonqualified plans will have a slightly greater amount of their compensation allocated to the qualified plan with the increase of the compensation limit from \$275,000 to \$280,000.

Employers and Plan Sponsors of qualified retirement plans should communicate these limits for 2019 to plan participants. We are available to advise you on updating your enrollment materials, summary plan descriptions, employee handbooks and other employee communications. If you have any questions about the new limits or any other employee benefit matters, please feel free to contact one of the authors.

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2019 Retirement Plan Dollar Limits

IRS Limits	Internal Revenue Code Section	2015	2016	2017	2018	2019
Elective Deferral Limit for 401(k), 403(b) and 457(b) plans	§ 402(g)(1) § 457(e)(15)	\$18,000	\$18,000	\$18,000	\$18,500	\$19,000
Catch-Up Contribution Limit for Age 50+	§ 414(v)(2)(B)(i)	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000
Annual Compensation Limit for Qualified Plans	§ 401(a)(17), § 404(l), § 408(k)(3)(C)	\$265,000	\$265,000	\$270,000	\$275,000	\$280,000
Defined Contribution Plan Limit on Annual Additions	§ 415(c)(1)(A)	\$53,000	\$53,000	\$54,000	\$55,000	\$56,000
Highly Compensated Employee Limit	§ 414(q)(1)(B)	\$120,000	\$120,000	\$120,000	\$120,000	\$125,000
Defined Benefit Plan Maximum Annual Benefit	§ 415(b)(1)(A)	\$210,000	\$210,000	\$215,000	\$220,000	\$225,000
Key Employee Limit for Top Heavy Purposes	§ 416(i)(1)(A)(i)	\$170,000	\$170,000	\$175,000	\$175,000	\$180,000
Social Security Taxable Wage Base	OASDI	\$118,500	\$118,500	\$127,200	\$128,700	\$132,900
IRA Contributions	§ 219(b)(5)(A), (D)	\$5,500	\$5,500	\$5,500	\$5,500	\$6,000
IRA Catch-up Contribution Limit for Age 50+	§ 219(b)(5)(B)	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000

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