

MEMO# 31464

November 1, 2018

IRS Announces Retirement Plan Limitations for 2019

[31464]

November 1, 2018 TO: ICI Members

Pension Committee

Pension Operations Advisory Committee SUBJECTS: Pension RE: IRS Announces Retirement Plan Limitations for 2019

The Internal Revenue Service has released annual cost of living and other adjustments applicable to dollar limitations for pension and retirement plans. The news release is available [here](#) and Notice 2018-83, which also contains the updated limits, is available [here](#). Notably, the elective deferral limit for participants in 401(k), 403(b) and most 457 plans has increased to \$19,000, and the contribution limit for IRAs has increased to \$6,000. Effective for tax year 2019, the dollar limitations include, but are not limited to, the following:

Limit

2018

2019

Defined benefit plan limit, IRC § 415(b)(1)(A)

\$220,000

\$225,000

Defined contribution plan limit, IRC § 415(c)(1)(A)

\$55,000

\$56,000

Annual compensation limit, IRC §§ 401(a)(17), 404(l), 408(k)(3)(C) and 408(k)(6)(D)(ii)

\$275,000

\$280,000

Limit used for definition of highly compensated employee, IRC § 414(q)(1)

\$120,000

\$125,000

Elective deferral limit, IRC § 402(g)

\$18,500

\$19,000

Deferral limit for state and local governments and tax-exempt organizations, IRC § 457(e)(15)

\$18,500

\$19,000

SEP compensation amount, IRC § 408(k)(2)(C)

\$600

\$600

SIMPLE contribution limit, IRC § 408(p)(2)(E)

\$12,500

\$13,000

Catch-up contributions to qualified plans, 403(b) plans and 457 plans, IRC § 414(v)(2)(B)(i)

\$6,000

\$6,000

Catch-up contributions to SIMPLE plans, IRC § 414(v)(2)(B)(ii)

\$3,000

\$3,000

IRA contribution limit, IRC § 219(b)(5)(A)

\$5,500

\$6,000

Catch-up contributions to IRAs, IRC § 219(b)(5)(B)
(this amount is not adjusted for cost of living)

\$1,000

\$1,000

QLAC premium limit, Treas. Reg. § 1.401(a)(9)-6, A-17(b)(2)(i)

\$130,000

\$130,000

The news release describes all plan limits for 2019 and provides updated income limits for determining (1) eligibility for the saver's credit (IRC § 25B(b)), (2) the deductible amount of a traditional IRA contribution (IRC § 219(g)), and (3) the maximum Roth IRA contribution (IRC § 408A(c)(3)(B)(ii)).

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