

MEMO# 27685

November 7, 2013

IRS Announces Pension Plan Limitations for 2014

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TO: TRANSFER AGENT ADVISORY COMMITTEE No. 79-13 RE: IRS ANNOUNCES PENSION PLAN LIMITATIONS FOR 2014

The Internal Revenue Service has released cost of living and other adjustments applicable to dollar limitations for pension plans. Effective for tax year 2014, the new dollar limitations include, but are not limited to, the following:

Limit 2013 2014 Defined benefit plan limit, IRC § 415(b)(1)(A) \$205,000 \$210,000 Defined contribution plan limit, IRC § 415(c)(1)(A) \$51,000 \$52,000 Annual compensation limit, IRC §§ 401(a)(17), 404(l), 408(k)(3)(C) and 408(k)(6)(D)(ii) \$255,000 \$260,000 Limit used for definition of highly compensated employee, IRC § 414(q)(1) \$115,000 \$115,000 Elective deferral limit, IRC § 402(g) \$17,500 \$17,500 Deferral limit for state and local governments and tax-exempt organizations, IRC § 457(e)(15) \$17,500 \$17,500 SEP compensation amount, IRC § 408(k)(2)(C) \$550 \$550 SIMPLE contribution limit, IRC § 408(p)(2)(E) \$12,000 \$12,000 Catch-up contributions to qualified plans, 403(b) plans and 457 plans, IRC § 414(v)(2)(B)(i) \$5,500 \$5,500 Catch-up contributions to SIMPLE plans, IRC § 414(v)(2)(B)(ii) \$2,500 \$2,500 IRA contribution limit, IRC § 219(b)(5)(A) \$5,500 \$5,500 Catch-up contributions to IRAs, IRC § 219(b)(5)(B)

(this amount is not adjusted for cost of living) \$1,000 \$1,000

A copy of the news release is attached. It discusses all plan limits for 2014 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)(3)), and (3) the maximum Roth IRA contribution (IRC § 408A(c)(3)(C)(ii)).

Elena Barone Chism
Associate Counsel

[Attachment](#)

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