

MEMO# 12874

November 21, 2000

IRS ANNOUNCES COST-OF-LIVING ADJUSTMENTS TO PENSION PLAN LIMITATIONS

[12874] November 21, 2000 TO: PENSION MEMBERS No. 54-00 PENSION OPERATIONS ADVISORY COMMITTEE No. 85-00 RE: IRS ANNOUNCES COST-OF-LIVING ADJUSTMENTS TO PENSION PLAN LIMITATIONS The Internal Revenue Service has released tax year 2001 cost-of-living adjustments applicable to various of the dollar limitations for pension plans. The limits that have been adjusted include the following: A. The section 415(b) limitation on the annual benefit under a defined benefit plan is increased from \$135,000 to \$140,000. B. The section 415(c) limitation for defined contribution plans is increased from \$30,000 to \$35,000. C. The section 408(p)(2) limit for SIMPLE plan accounts is increased from \$6,000 to \$6,500. D. The limitation on deferrals in sections 457 plan is increased from \$8,000 to \$8,500. Other limitations, including the section 402(g) limit on elective deferrals and the section 401(a)(17) annual compensation limit, remain unchanged for tax year 2001. Russell G. Galer Senior Counsel Attachment Note: Not all recipients receive the attachment. To obtain a copy of the attachment to which this memo refers, please call the ICI Library at (202) 326-8304 and request the attachment for memo 12874. ICI Members may retrieve this memo and its attachment from ICINet (<http://members.ici.org>). Attachment (in .pdf format)

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