

MEMO# 9365

October 24, 1997

IRS ANNOUNCES 1998 PENSION PLAN LIMITATIONS

[9365] October 24, 1997 TO: PENSION MEMBERS No. 48-97 PENSION OPERATIONS
ADVISORY COMMITTEE No. 41-97 RE: IRS ANNOUNCES 1998 PENSION PLAN LIMITATIONS

The Internal Revenue Service has announced cost-of-living adjustments to the dollar limits applicable to retirement plans in 1998. Significant adjustments include the following: 1. The section 402(g) limit applicable to elective deferrals into 401(k) and other similar vehicles is increased from \$9,500 to \$10,000. 2. The limitation on deferrals to section 457 plans of state and local governments and tax-exempt organizations is increased from \$7,500 to \$8,000. 3. The limitation on the annual benefit under a defined benefit plan under section 415(b) is increased from \$125,000 to \$130,000. Other limitations with annual cost-of-living adjustment mechanisms, including the \$30,000 limitation for defined contributions plans under section 415(c) and the \$80,000 limitation used for the section 414(q) definition of "highly compensated employee" remain unchanged for 1998. Russell G. Galer Associate Counsel - Pension Attachment (in .pdf format)

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