

**MEMO# 3492**

February 7, 1992

## **IRS ANNOUNCES 1992 COST-OF-LIVING ADJUSTMENTS FOR PENSION PLAN LIMITATIONS**

February 7, 1992 TO: PENSION MEMBERS NO. 2-92 RE: IRS ANNOUNCES 1992 COST-OF-LIVING ADJUSTMENTS FOR PENSION PLAN LIMITATIONS

Enclosed is Internal Revenue Service News Release IR-92-3, which sets forth the cost-of-living adjustments for certain pension plan limitations. The maximum limitation on benefits under Internal Revenue Code section 415(c)(1)(A) for defined benefit plans increases from \$108,963 to \$112,221. The limitation on contributions to defined contribution plans remains unchanged at \$30,000, because that figure cannot be adjusted for inflation until the defined benefit limit reaches \$120,000. Other changes include: The limitation on elective deferrals for 401(k) plans increases from \$8,475 to \$8,728. The amount of compensation subject to the Simplified Employee Pension (SEP) discrimination provisions and the limitation on the amount of annual income which can be taken into account under Code sections 401(a)(17) and 404(l) increases from \$222,220 to \$228,860. The excess distribution threshold amount under Code section 4980A(c)(1) increases to \$140,276 from \$136,304. The limitations found in the definition of highly compensated employee in Code section 414(q) increase to \$93,518 from \$90,803 and to \$62,345 from \$60,535. Certain other limits were also changed as set forth in the News Release. We will keep you informed of further developments. David J. Mangefrida, Jr. Assistant Counsel - Tax Attachment

---

**Source URL:** <https://icinew-stage.ici.org/memo-3492>

Copyright © by the Investment Company Institute. All rights reserved. Information may be abridged and therefore incomplete. Communications from the Institute do not constitute, and should not be considered a substitute for, legal advice.