

MEMO# 10412

October 26, 1998

IRS ANNOUNCES 1999 COLA ADJUSTMENTS FOR PENSION PLAN LIMITATIONS

[10412] October 26, 1998 TO: PENSION MEMBERS No. 64-98 PENSION OPERATIONS
ADVISORY COMMITTEE No. 54-98 TAX MEMBERS No. 38-98 TRANSFER AGENT ADVISORY
COMMITTEE No. 71-98 RE: IRS ANNOUNCES 1999 COLA ADJUSTMENTS FOR PENSION PLAN
LIMITATIONS

The Internal Revenue Service has released the 1999 cost of living adjustments to various pension plan limitations in the Internal Revenue Code. The limitations remain unchanged from 1998, as follows: 1. The section 415 limit for defined contribution plans remains \$30,000. 2. The section 415 limitation on annual benefits under a defined benefit plan remains \$130,000. 3. The section 402(g) limitation on elective deferrals remains \$10,000. 4. The section 414(q) definition of "highly compensated employee" remains \$80,000. 5. The sections 401(a)(17) and 404(l) annual compensation limit remains \$160,000. 6. For SEPs, the compensation amount under section 408(k)(2) remains \$400. 7. For SIMPLEs, the limitation under section 408(p)(2) remains \$6,000. 8. For 457 plans, the limitation under sections 457(b)(1) and (c) remains \$8,000. Russell G. Galer Senior Counsel

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