



# IRS Announces Cost-of-Living Adjustments

November 2018

Retirement Plans	2019	2018	2017
Elective Deferrals (401k & 403b plans)	\$19,000	\$18,500	\$18,000
Annual Benefit Limit	\$225,000	\$220,000	\$215,000
Annual Contribution Limit	\$56,000	\$55,000	\$54,000
Annual Compensation Limit	\$280,000	\$275,000	\$270,000
457 Deferral Limit	\$19,000	\$18,500	\$18,000
Highly Compensated Threshold	\$125,000	\$120,000	\$120,000
SIMPLE Contribution Limit	\$13,000	\$12,500	\$12,500
SEP Coverage Limit	\$600	\$600	\$600
SEP Compensation Limit	\$280,000	\$275,000	\$270,000
Income Subject to Social Security	\$132,900	\$128,400	\$127,200
Catch-Up Contributions	\$6,000	\$6,000	\$6,000
SIMPLE Catch-Up Contributions	\$3,000	\$3,000	\$3,000

- **Elective Deferral Limit:** maximum contribution that can be made on a pre-tax basis to a 401(k) or 403(b) plan.
- **Annual Benefit Limit:** maximum annual benefit that can be paid to a participant (IRC section 415). Applied limit is the lesser of the dollar limit above **or** 100% of the participant's average compensation (generally the high three consecutive years of service). The participant compensation level is also subjected to the **Annual Compensation Limit**.
- **Annual Contribution Limit:** maximum annual contribution amount that can be made to a participant's account (IRC section 415). Limit is expressed as the lesser of the dollar limit **or** 100% of the participant's compensation, applied to the combination of employee contributions, employer contributions, and forfeitures allocated to a participant's account.
- **Annual Compensation Limit:** In calculating contribution allocations, a plan cannot consider any employee compensation in excess of this limit. In calculating certain nondiscrimination tests, all participant compensation is limited to this amount.
- **457 Deferral Limit:** Similar restriction, applied to certain government plans (457 plans).
- **Highly Compensated Threshold** (section 414(q)(1)(B)): minimum compensation level established to determine highly compensated employees for purposes of nondiscrimination testing.
- **SIMPLE Contribution Limit:** maximum annual contribution that can be made to a SIMPLE (Savings Incentive Match Plan for Employees) plan. SIMPLE plans are simplified retirement plans for small businesses that allow employees to make elective contributions, while requiring employers to make matching or non-elective contributions.
- **SEP Coverage Limit:** minimum earning level for self-employed individual to qualify for coverage by a Simplified Employee Pension plan (a special individual retirement account to which the employer makes direct tax-deductible contributions).
- **SEP Compensation Limit:** applied in determining the maximum contributions made to the plan.
- **Catch up Contributions, SIMPLE Catch up Deferral:** Under the Economic Growth and Tax Relief Act of 2001 (EGTRRA), certain individuals aged 50 or over can make catch up contributions.

Questions? Let's talk.

📞 1-866-401-5272 ✉ trustsales@bpas.com 🌐 bpas.com



# IRS Cost-of-Living Adjustments



<b>Puerto Rico Plans Only (*subject to change)</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
Elective Deferrals (1081.01(d)-PR Plans Only)	TBA	\$15,000	\$15,000
1081.01(d) Elective Deferrals (Dual-Qualified Plans and Federal Government Thrift Plans)	TBA	\$18,500	\$18,000
Annual Benefit Limit	TBA	\$220,000	\$215,000
Annual Contribution Limit	TBA	\$55,000	\$54,000
Annual Compensation Limit	TBA	\$275,000	\$270,000
Highly Compensated Threshold	TBA	\$120,000	\$120,000
Income Subject to Social Security	TBA	\$128,400	\$127,200
Catch-Up Contributions	TBA	\$1,500	\$1,500
Catch-Up Contributions—Federal Government Thrift Plan	TBA	\$6,000	\$6,000
The Elective Deferral Limit is the maximum contribution that can be made on a pre-tax basis to a plan qualified in Puerto Rico only. (PR Code 1081.01(d)).			
<b>Traditional IRA</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
Traditional IRA Regular Contribution Limit	\$6,000	\$5,500	\$ 5,500
Age 50 Catch-Up Limit for Traditional IRAs	\$1,000	\$1,000	\$1,000
AGI Phase-Out Ranges for Determining Traditional IRA Deductions for Active Participants:			
• Unmarried Taxpayers	\$64,000 – 74,000	\$63,000 - \$73,000	\$62,000 - \$72,000
• Married Taxpayers filing joint returns	\$103,000 – 123,000	\$101,000 - \$121,000	\$99,000 - \$119,000
• Married Taxpayers filing separate returns	\$ 0 - \$10,000	\$ 0 - \$10,000	\$ 0 - \$10,000
• Non-active Participant Spouse	\$193,000 - \$203,000	\$189,000 - \$199,000	\$186,000 - \$196,000
<b>Roth IRA</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
Roth IRA Regular Contribution Limit	\$6,000	\$5,500	\$ 5,500
Age 50 Catch-Up Limit for Roth IRAs	\$1,000	\$1,000	\$1,000
Roth IRA Conversion Income Limit	n/a	n/a	n/a
AGI Phase-Out Ranges for Determining Roth IRA Regular Contributions:			
• Unmarried Taxpayers	\$122,000 - \$137,000	\$120,000 - \$135,000	\$118,000 - \$133,000
• Married Taxpayers filing joint returns	\$193,000 - \$203,000	\$189,000 - \$199,000	\$186,000 - \$196,000
• Married Taxpayers filing separate returns	\$0 - \$10,000	\$ 0 - \$10,000	\$ 0 - \$10,000
<b>Flexible Spending Account (FSA)</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
Employee Contribution Limit for Health & Limited FSA	\$2,700	\$2,650	\$2,600
Dependent Care Assistance Account Employee Contribution Limit:			
• Single or married filing a joint return	\$5,000	\$5,000	\$5,000
• Single or married filing a separate return	\$2,500	\$2,500	\$2,500
Monthly Limit for Parking/Transit & Vanpool	\$265/\$265	\$260/\$260	\$255/\$255
<b>Health Savings Account (HSA)</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
HSA Maximum Contribution:			
• Self - Only Coverage	\$3,500	\$3,450	\$3,400
• Family Coverage	\$7,000	\$6,900	\$6,750
Age 55 HSA Catch-up Contribution	\$1,000	\$1,000	\$1,000
High Deductible Health Plan (HDHP):			
• Annual Deductible-Single	\$1,350	\$1,350	\$1,300
• Annual Deductible-Family	\$2,700	\$2,700	\$2,600
• Maximum Out-of-Pocket-Single	\$6,750	\$6,650	\$6,550
• Maximum Out-of-Pocket-Family	\$13,500	\$13,300	\$13,100