

2019 Cost-of-Living Adjustments For Retirement Plans

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The IRS and Social Security Administration have announced the [2019 cost-of-living adjustments for retirement plans](#). Here are some of the more significant limitations affecting employee benefit plans:

- The maximum amount that may be deferred under 401(k), 403(b) and 457(b) plans, not including catch-up deferrals such as the 402(g) limit, is increased from \$18,500 to \$19,000.
- The Internal Revenue Code section 415 maximum annual benefit under a defined benefit plan will increase by \$5,000 to \$225,000.
- The IRC section 415 maximum annual additions under a defined contribution plan will increase by \$1,000 to \$56,000, subject to the overall limitation of 100 percent of compensation.
- The highly compensated employee threshold dollar limit increases by \$5,000 to \$125,000.
- The maximum amount of compensation that may be taken into account for benefit purposes under a qualified plan will increase from the current limit of \$275,000 to \$280,000.
- The limit on catch-up deferrals to 401(k), 403(b) and 457 plans remain unchanged at \$6,000. Catch-up deferrals are only available to plan participants who have attained age 50 by the end of the plan year and whose deferrals are limited due to plan or regulatory limitations.
- The Social Security taxable wage base is increased by \$4,500 to \$132,900.

If you have questions about any of these adjustments, please [contact me](#) or anyone in the [Barley Snyder Employee Benefits Group](#).

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