

Many Employee Retirement Plan Dollar Limits Adjusted For 2014

Working Together

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The Internal Revenue Code provides for various dollar limitations on benefits, contributions, and compensation for tax-qualified employee benefit plans. Recently, the Internal Revenue Service announced cost of living adjustments (COLAs) for 2014, including limits relating to 401(k) and other tax-qualified retirement plans. Some dollar limits such as the salary deferral contribution limit to 401(k) plans will remain unchanged, while other limitations will increase. Other highlights include:

- the maximum total contribution to a 401(k) or other “defined contribution” plan increased from \$51,000 to \$52,000 (\$57,500 for employees aged 50 and older).
- the salary deferral limit for 401(k), 403(b), and 457 plans remains unchanged at \$17,500. The age 50 or older catch-up contribution limit for these plans also remains unchanged at \$5,500.
- the annual benefit limit under a defined benefit plan is increased from \$205,000 to \$210,000

More information on the tax-qualified retirement plan limits is available in our November 2013 Employee Benefits Alert.

Tags: Internal Revenue Service