

Many Employee Retirement Plan Dollar Limits Adjusted For 2015

Working Together

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By George Kasper 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 those applicable to 401(k) and other tax-qualified retirement plan limits. Several dollar limits such as the salary deferral contribution limit to 401(k) plans increased, while other limitations remain unchanged. Other highlights include:

- the maximum total contribution to a 401(k) or other “defined contribution” plan increased from \$52,000 to \$53,000.
- the salary deferral limit for 401(k), 403(b), and most 457 plans increased from \$17,500 to \$18,000. The age 50 or older catch-up contribution limit for these plans increased to \$6,000.
- the annual benefit limit under a defined benefit plan remains unchanged at \$210,000 More information on the tax-qualified retirement plan limits is available in our October 2014 Employee Benefits Alert.

Tags: Internal Revenue Service