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**COST-OF-LIVING ADJUSTMENTS FOR 2014**

The IRS has announced the 2014 cost-of-living adjustments for various retirement plan dollar limits. The 2014 limits are as follows:

<b><u>Limit</u></b>	<b><u>2012</u></b>	<b><u>2013</u></b>	<b><u>2014</u></b>
Section 402(g) limit for 401(k) pre-tax contributions	\$17,000	\$17,500	\$17,500
Section 414(v) catch-up contribution limit	\$5,500	\$5,500	\$5,500
Section 401(a)(17) limit on annual compensation recognizable for retirement plan purposes	\$250,000	\$255,000	\$260,000
Annual pre-tax contribution rate for participants at the compensation limit to reach the Section 402(g) contribution limit	6.80%	6.86%	6.73%
Section 415 limit on annual additions to a defined contribution plan	\$50,000	\$51,000	\$52,000
Section 415 limit on annual benefits under a defined benefit plan	\$200,000	\$205,000	\$210,000
Compensation threshold for defining "Highly Compensated Employees"	\$110,000 (in 2011)	\$115,000 (in 2012)	\$115,000 <sup>1</sup> (in 2013)
Compensation threshold for officers to be "Key Employees" <sup>2</sup>	\$165,000	\$165,000	\$170,000

Social Security (OASDI)	\$110,100	\$113,700	\$117,000
Wage Base			

<sup>1</sup> An employee with compensation exceeding \$115,000 in 2014 will be an HCE in 2015.

<sup>2</sup> 5% owners and 1% owners with compensation exceeding \$150,000 are also key employees.

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