

## IRS ANNUAL COST-OF-LIVING ADJUSTMENTS – EMPLOYEE BENEFIT PLAN LIMITATIONS FOR 2019

**EFFECTIVE:  
JANUARY 1, 2019**

The IRS has released the 2019 cost-of-living adjustments applicable to the dollar limitations on benefits and contributions of retirement plans and health and welfare benefit plans. Plan sponsors should update their systems and formulas to include the limits that have been adjusted.

RETIREMENT PLAN LIMITS	2019	2018	2017	2016
<b>ELECTIVE DEFERRALS</b>				
401(K) CONTRIBUTIONS	<b>\$19,000</b>	\$18,500	\$18,000	\$18,000
403(B) CONTRIBUTIONS	<b>\$19,000</b>	\$18,500	\$18,000	\$18,000
SIMPLE 401(K) CONTRIBUTIONS	<b>\$13,000</b>	\$12,500	\$12,500	\$12,500
SIMPLE IRA CONTRIBUTIONS	<b>\$13,000</b>	\$12,500	\$12,500	\$12,500
SARSEP CONTRIBUTIONS	<b>\$19,000</b>	\$18,500	\$18,000	\$18,000
457 CONTRIBUTIONS	<b>\$19,000</b>	\$18,500	\$18,000	\$18,000
CATCH-UP CONTRIBUTIONS <sup>(1)</sup>	<b>\$6,000</b>	\$6,000	\$6,000	\$6,000
SEP OR SARSEP PARTICIPATION LIMIT	<b>\$600</b>	\$600	\$600	\$600
<b>ANNUAL ADDITIONS</b>				
DEFINED BENEFIT ANNUAL BENEFIT	<b>\$225,000</b>	\$220,000	\$215,000	\$210,000
DEFINED CONTRIBUTION	<b>\$56,000</b>	\$55,000	\$54,000	\$53,000
ANNUAL COMPENSATION LIMIT	<b>\$280,000</b>	\$275,000	\$270,000	\$265,000
HIGHLY COMPENSATED EMPLOYEE	<b>\$125,000</b>	\$120,000	\$120,000	\$120,000
TOP-HEAVY KEY EMPLOYEE <sup>(2)</sup>	<b>\$180,000</b>	\$175,000	\$175,000	\$170,000
<b>FICA TAXABLE WAGE BASE</b>				
SOCIAL SECURITY (TAX RATE 6.2%)	<b>\$132,900</b>	\$128,400	\$127,200	\$118,500
MEDICARE (TAX RATE 1.45%) <sup>(3)</sup>	<b>NO LIMIT</b>	NO LIMIT	NO LIMIT	NO LIMIT
HEALTH AND WELFARE BENEFIT PLAN LIMITS	2019	2018	2017	2016
HEALTH CARE	<b>\$2,700*</b>	\$2,650	\$2,600	\$2,550
FLEXIBLE SPENDING ACCOUNT <i>*(Estimate, not yet finalized)</i>				
DEPENDENT CARE ASSISTANCE	<b>\$5,000/ \$2,500</b>	\$5,000/ \$2,500	\$5,000/ \$2,500	\$5,000/ \$2,500
<b>CONTRIBUTION LIMITS FOR HSAs</b>				
SINGLE – CONTRIBUTION TO HSA	<b>\$3,500</b>	\$3,450	\$3,400	\$3,350
FAMILY – CONTRIBUTION TO HSA	<b>\$7,000</b>	\$6,850	\$6,750	\$6,750
CATCH-UP CONTRIBUTION (55+)	<b>\$1,000</b>	\$1,000	\$1,000	\$1,000
<b>LIMITS FOR HSAs COMPATIBLE HDHPS</b>				
SINGLE – MINIMUM DEDUCTIBLE	<b>\$1,350</b>	\$1,350	\$1,300	\$1,300
SINGLE – MAX OUT-OF-POCKET	<b>\$6,750</b>	\$6,650	\$6,550	\$6,550
FAMILY – MINIMUM DEDUCTIBLE	<b>\$2,700</b>	\$2,700	\$2,600	\$2,600
FAMILY – MAX OUT-OF-POCKET	<b>\$13,500</b>	\$13,300	\$13,100	\$13,100

(1) The catch-up contribution limit for SIMPLE 401(k) and SIMPLE IRAs is \$3,000.

(2) A “key employee” is any employee who, at any time during the plan year, is (i) an officer of the employer having annual compensation greater than \$180,000; (ii) a 5% owner of the employer; or (iii) a 1% owner of the employer having annual compensation from the employer of more than \$150,000.

(3) Employees pay an additional 0.9 percent on wages greater than \$200,000.

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