

## IRS Benefit Plan Limits for 2015

The Internal Revenue Service (IRS) has announced contribution limits for retirement plan participants for 2015. Many of the limits will change because the Consumer Price Index met the statutory thresholds that trigger their adjustment.

The maximum annual contribution employees can make through salary reduction to a 401(k), 457(b), or 403(b) has increased to **\$18,000**. Catch-up contributions for employees 50 years of age and older has also increased, to a maximum of **\$6,000** per year. SIMPLE IRA limits have increased from \$12,000 to \$12,500, while the compensation limit for SEPs has also increased from \$550 to \$600.

The dollar limit used in the definition of a key employee for top-heavy purposes remains unchanged at \$170,000, but the definition of a highly compensated employee has increased to \$120,000.

401(k) Plan Limits for Plan Year	2015 Limit	2014 Limit	IRC Reference
401(k) Elective Deferral Limit <sup>1</sup>	\$18,000	\$17,500	402(g)(1)
Catch-Up Contribution <sup>2</sup>	\$6,000	\$5,500	414(v)(2)(B)(i)
Defined Contribution Dollar Limit	\$53,000	\$52,000	415(c)(1)(A)
Compensation Limit <sup>3</sup>	\$265,000	\$260,000	401(a)(17); 404(i)
Highly Compensated Employee Income Limit	\$120,000	\$115,000	414(q)(1)(B)
Key Employee Officer Limit	\$170,000	\$170,000	416(i)(1)(A)(i)
<b>Non-401(k) Limits</b>			
403(b) Elective Deferral Limit <sup>1</sup>	\$18,000	\$17,500	402(g)(1)
Defined Benefit Dollar Limit	\$210,000	\$210,000	415(b)(1)(A)
457 Employee Deferral Limit	\$18,000	\$17,500	457(e)(15)
<b>SEP and SIMPLE IRA Limits</b>			
SEP Minimum Compensation	\$600	\$550	408(k)(2)(C)
SEP Maximum Compensation	\$265,000	\$260,000	401(a)(17); 404(i)
SIMPLE Contribution Limit	\$12,500	\$12,000	408(p)(2)(E)
SIMPLE Catch-Up Contribution <sup>2</sup>	\$3,000	\$2,500	414(v)(2)(B)(i)

<sup>1</sup> Employee deferrals to all 401(k) and 403(b) plans must be aggregated for purposes of this limit.

<sup>2</sup> Available to employees age 50 and older during the calendar year.

<sup>3</sup> All compensation from a single employer (including all members of a controlled group) must be aggregated for purposes of this limit.

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