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**2018 COST-OF-LIVING ADJUSTMENTS FOR QUALIFIED RETIREMENT PLANS**

The Internal Revenue Service has announced the cost-of-living adjustment (COLA) for 2018. The dollar limitations for pension plans and selected other items are listed below. Certain annual compensation amounts were increased, including the limit for elective deferrals, which have not been updated since 2015. The Social Security Administration separately announced an increase to the taxable wage base**2**.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Code Section** | **2018** | **2017** | **2016** | **2015** | **2014** |
| 401(a)(17)/404(l) Annual Compensation | $275,000 | $270,000 | $265,000 | $265,000 | $260,000 |
| 402(g)(1) Elective Deferrals | 18,500 | 18,000 | 18,000 | 18,000 | 17,500 |
| 408(k)(2)(C) SEP Minimum Compensation | 600 | 600 | 600 | 600 | 550 |
| 408(k)(3)(C) SEP Maximum Compensation | 275,000 | 270,000 | 265,000 | 265,000 | 260,000 |
| 408(p)(2)(E) SIMPLE Maximum Contributions | 12,500 | 12,500 | 12,500 | 12,500 | 12,000 |
| 409(o)(1)(C) ESOP Limits | 1,105,000  220,000 | 1,080,000  215,000 | 1,070,000  210,000 | 1,070,000  210,000 | 1,050,000  210,000 |
| 414(q)(1)(B) HCE Threshold | 120,000 | 120,000 | 120,000 | 120,000 | 115,000 |
| 414(v)(2)(B)(i) Catch-up Contributions | 6,000 | 6,000 | 6,000 | 6,000 | 5,500 |
| 414(v)(2)(B)(ii) Catch-up Contributions | 3,000 | 3,000 | 3,000 | 3,000 | 2,500 |
| 415(b)(1)(A) DB Limits | 220,000 | 215,000 | 210,000 | 210,000 | 210,000 |
| 415(c)(1)(A) DC Limits | 55,000 | 54,000 | 53,000 | 53,000 | 52,000 |
| 416(i)(1)(A)(i) Key Employee | 175,000 | 175,000 | 170,000 | 170,000 | 170,000 |
| 457(e)(15) Deferral Limits | 18,500 | 18,000 | 18,000 | 18,000 | 17,500 |
| 1.61-21(f)(5)(i) Control Employee | 110,000 | 105,000 | 105,000 | 105,000 | 105,000 |
| 1.61-21(f)(5)(iii) Control Employee | 220,000 | 215,000 | 215,000 | 215,000 | 210,000 |
| 219(b)(5)(A) IRA Contribution Limit | 5,500 | 5,500 | 5,500 | 5,500 | 5,500 |
| 219(b)(5)(B) IRA Catch-Up Contributions | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 |
| Taxable Wage Base for Social Security | 128,700 | 127,200 | 118,500 | 118,500 | 117,000 |