



PRIVATE WEALTH
MANAGEMENT

Retirement Plan Services

2018 Contribution Limits

401k Pension Plan Limits for Plan Year	2018	2017	2016	2015	2014	2013
401k Elective Deferrals	\$18,500	\$18,000	\$18,000	\$18,000	\$17,500	\$17,500
Annual Defined Contribution Limit	\$55,000	\$54,000	\$53,000	\$53,000	\$52,000	\$51,000
Annual Defined Benefit Limit	\$220,000	\$215,000	\$210,000	\$210,000	\$210,000	\$205,000
Annual Compensation Limit	\$275,000	\$270,000	\$265,000	\$265,000	\$260,000	\$255,000
Catch-Up Contribution Limit	\$6,000	\$6,000	\$6,000	\$6,000	\$5,500	\$5,500
Highly Compensated Employees	\$120,000	\$120,000	\$120,000	\$120,000	\$115,000	\$115,000

Non 401k Related Limits	2018	2017	2016	2015	2014	2013
403(b)/457 Elective Deferrals	\$18,500	\$18,000	\$18,000	\$18,000	\$17,500	\$17,500
SIMPLE 401k Employee Deferrals	\$12,500	\$12,500	\$12,500	\$12,500	\$12,000	\$12,000
SIMPLE 401k Catch-Up Deferral	\$3,000	\$3,000	\$3,000	\$3,000	\$2,500	\$2,500
Social Security Taxable Wage Base	\$128,700	\$127,200	\$118,500	\$118,500	\$117,000	\$113,700

Limitations That Remain Unchanged From 2017

- The catch-up contribution limit for employees aged 50 and over who participate in 401k, 403(b), eligible 457 plans, remains unchanged at \$6,000.
- The limit on annual contributions to an IRA remains unchanged at \$5,500. The additional catch-up contribution limit for individuals aged 50 and over remains \$1,000.
- The limitation used in the definition of highly compensated employee under Section 414(q)(1)(B) remains unchanged at \$120,000.
- The dollar limitation concerning the definition of key employee in a top-heavy plan remains unchanged at \$175,000



Changes for 2018

- The contribution limit for employees who participate in 401k, 403(b), and eligible 457 plans increased from \$18,000 to \$18,500.
- Total annual contributions to a defined contribution plan (i.e., profit sharing, 401(k), 403(b) and eligible 457 plan) has increased from \$54,000 to \$55,000.
- The annual compensation limit for calculating maximum contributions is increased from \$270,000 to \$275,000.
- The Social Security taxable wage base increased from \$127,200 to \$128,700

The income ranges for determining eligibility to make deductible contributions to traditional Individual Retirement Arrangements (IRAs), to contribute to Roth IRAs, and to claim the saver's credit all increased for 2018.

Taxpayers can deduct contributions to a traditional IRA if they meet certain conditions. If during the year either the taxpayer or their spouse was covered by a retirement plan at work, the deduction may be reduced, or phased out, until it is eliminated, depending on filing status and income. (If neither the taxpayer nor their spouse is covered by a retirement plan at work, the phase-outs of the deduction do not apply.) Here are the phase-out ranges for 2018:

- For single taxpayers covered by a workplace retirement plan, the phase-out range is \$63,000 to \$73,000, up from \$62,000 to \$72,000.
- For married couples filing jointly, where the spouse making the IRA contribution is covered by a workplace retirement plan, the phase-out range is \$101,000 to \$121,000, up from \$99,000 to \$119,000.
- For an IRA contributor who is not covered by a workplace retirement plan and is married to someone who is covered, the deduction is phased out if the couple's income is between \$189,000 and \$199,000, up from \$186,000 and \$196,000.
- For a married individual filing a separate return who is covered by a workplace retirement plan, the phase-out range is not subject to an annual cost-of-living adjustment and remains \$0 to \$10,000.

The income phase-out range for taxpayers making contributions to a Roth IRA is \$120,000 to \$135,000 for singles and heads of household, up from \$118,000 to \$133,000. For married couples filing jointly, the income phase-out range is \$189,000 to \$199,000, up from \$186,000 to \$196,000. The phase-out range for a married individual filing a separate return who makes contributions to a Roth IRA is not subject to an annual cost-of-living adjustment and remains \$0 to \$10,000.

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