

Eye On Washington

Regulatory Update



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Pension Plan Limitations for 2019 Provided by the IRS

On November 1, 2018, the Internal Revenue Service (IRS) announced cost-of-living adjustments affecting dollar limitations for pension plans and other retirement-related items for tax year 2019. It issued technical guidance detailing these items in Notice 2018-83.

A summary of the 2019 pension limitations as compared to 2018 is as follows:

Plan Maximum Contribution Limits	2018	2019
Section 401(k) Plan or SAR SEP	\$18,500	\$19,000
Section 403(b) Plan	\$18,500	\$19,000
Section 408(p)(2)(E) SIMPLE Plan Contributions	\$12,500	\$13,000
Section 457(e)(15) Limit	\$18,500	\$19,000
Section 415 Limit for:		
Defined Contribution Plans	\$55,000	\$56,000
Defined Benefit Plans	\$220,000	\$225,000
Highly Compensated Employees Section 414(q)(1)(B)	\$120,000	\$125,000
Key Employee Section 416(i)(1)(A)(i)	\$175,000	\$180,000
Includible Compensation –		
Section 401(a)(17)	\$275,000	\$280,000
SEP Compensation	\$275,000	\$280,000
SEP Earnings Threshold	\$600	\$600
Limited Governmental Plans (pre 7/1/93)	\$405,000	\$415,000
Section 409 Employee Stock Ownership Plan Subject to 5-Year Distribution Period		
Maximum Balance	\$1,105,000	\$1,130,000
Amount Used to Determine the Lengthening of the 5-Year Period	\$220,000	\$225,000



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The 2019 dollar limitation under Section 414(v)(2)(B)(i) for catch-up contributions to an applicable employer plan other than a plan described in Section 401(k)(11) or Section 408(p) for individuals age 50 or over remains unchanged at \$6,000. The 2019 dollar limitation under Section 414(v)(2)(B)(ii) for catch-up contributions to an applicable employer plan described in Section 401(k)(11) or Section 408(p) for individuals age 50 or over remains unchanged at \$3,000:

For a copy of Notice 2018-83, please click on the link provided below.

<https://www.irs.gov/pub/irs-drop/n-18-83.pdf>

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