

IRS Announces 2013 Qualified Pension Plan Limitations

October 18, 2012

The Internal Revenue Service announced the 2013 cost-of-living adjustments on October 18, 2012. Here are some of the key limits for 2013 that will affect employer qualified retirement plans:

- The Code section 402(g) limit on elective deferrals for employees who participate in 401(k) and 403(b) plans will increase from \$17,000 to \$17,500.
- The Code section 415(c) limit for annual additions under defined contribution plans will increase from \$50,000 to \$51,000.
- The Code section 414(v) catch-up contribution limit for employees aged 50 and over who participate in 401(k) and 403(b) plans will remain unchanged at \$5,500.
- The Code section 415(b) annual benefit limit under a defined benefit plan will increase from \$200,000 to \$205,000.
- The Code section 416(i) dollar limit on compensation for defining a key employee in a top heavy plan will remain unchanged at \$165,000.
- The Code section 414(q) dollar limit on compensation for defining a highly compensated employee remains unchanged at \$115,000.
- The Code section 401(a)(17) annual compensation limit will increase from \$250,000 to \$255,000.

The full list of changes will be posted on the IRS website in IRS News Release 2012-77.