

IRS Announces 2016 Qualified Retirement Plan Limits

October 29, 2015

The IRS recently announced cost-of-living adjustments for 2016, which leave many key plan limits unchanged. The following is a list of some key annual limits that will apply to qualified retirement plans in 2016:

- Elective deferrals to 401(k) and 403(b) plans: \$18,000.
- Annual additions to a defined contribution plan: \$53,000.
- Catch-up contributions for employees aged 50 and over to 401(k) and 403(b) plans: \$6,000.
- Annual benefit limit for a defined benefit plan: \$210,000.
- Compensation dollar limit for defining a "key employee" in a top heavy plan: \$170,000.
- Compensation dollar limit for defining a "highly compensated employee": \$120,000.
- Compensation limit in calculating a participant's benefit accruals: \$265,000.

The full list of 2016 plan limits can be found in IRS Information Release 2015-118 [here](#).