

IRS Announces 2018 Qualified Retirement Plan Limits

October 25, 2017

The IRS recently announced cost-of-living adjustments for 2018. Below is a list of some of the key annual limits that will apply to qualified retirement plans in 2018:

- Compensation limit used in calculating a participant's benefit accruals: increased to \$275,000.
- Elective deferrals to 401(k) and 403(b) plans: increased to \$18,500.
- Annual additions to a defined contribution plan: increased to \$55,000.
- Catch-up contributions for employees aged 50 and over to 401(k) and 403(b) plans: remains unchanged at \$6,000.
- Annual benefit limit for a defined benefit plan: increased to \$220,000.
- Compensation dollar limit for defining a "key employee" in a top heavy plan: remains unchanged at \$175,000.
- Compensation dollar limit for defining a "highly compensated employee": remains unchanged at \$120,000.

[The full list of 2018 plan limits can be found in IRS Notice 2017-64.](#)