

2018 Cost-of-Living Adjustments

The IRS recently announced the 2018 cost-of-living adjustments (COLAs) that impact retirement plans and the Social Security Wage Base (SSWB). After the largest increase in 20 years in the SSWB from 2016 to 2017, the SSWB increased by just over 1% from 2017 (\$127,200) to 2018 (\$128,700).

A few of the 2018 limitations remained the same as 2017 while most others increased slightly. We've included a comparison on the dollar limitations for benefits and contributions over the past three years in our 2018 Cost-of-Living Adjustments chart.

An interesting comparison can also be found on the [IRS website](#), which lists the COLA dollar limitations over the past 28 years.

If you have any questions on these dollar limitations, please contact:

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401(k), 403(b), 457 Contributions	2018	2017	2016
Elective Deferrals	\$ 18,500	\$ 18,000	\$ 18,000
Catch-up Contributions	6,000	6,000	6,000
IRAs			
IRA Contributions	5,500	5,500	5,500
IRA Catch-up Contributions	1,000	1,000	1,000
SIMPLE Plan			
Elective Deferrals	12,500	12,500	12,500
Catch-up Contributions	3,000	3,000	3,000
Simplified employee pensions (SEPs)			
SEP Minimum Compensation – 408(k)(2)(c)	600	600	600
SEP Maximum Compensation – 408(k)(3)(c)	275,000	270,000	265,000
Maximum SEP Contribution	55,000	54,000	53,000
401(k), 403(b), 457 Plans			
Annual Compensation – 401(a)(17)/404(l)	275,000	270,000	265,000
Defined Contribution Limits – 415(c)(1)(A)	55,000	54,000	53,000
ESOP Limit – 409(o)(1)(c) – account balance	1,105,000	1,080,000	1,070,000
ESOP Limit – 409(o)(1)(c) – lengthening 5-yr period	220,000	215,000	210,000
Miscellaneous			
Highly Compensated Employee	120,000	120,000	120,000
Defined Benefit Annual Limit	220,000	215,000	210,000
Key Employee Compensation	175,000	175,000	170,000
Social Security Taxable Wage Base	128,700	127,200	118,500

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