

IRS Dollar Limits for Pension Plans, etc. Effective 1/1/14

The Internal Revenue Service recently announced the dollar limitations for pension plans and other items beginning January 1, 2014. Some of the limits are listed below.

LIMITATION	2013 AMOUNT	2014 AMOUNT
Maximum Annual Compensation taken into account for determining benefits or contributions to a qualified plan	\$255,000	\$260,000
Basic Elective Deferral Limitation for 401(k), 403(b) and 457(b) Plans	\$17,500	\$17,500
Catch-up Contribution Limit for Persons Age 50 and older in 401(k), 403(b) or SARSEP Plans	\$5,500	\$5,500
Limitation on Annual Additions to a Defined Contribution Plan ¹	\$51,000	\$52,000
Limitation on Annual Benefits from a Defined Benefit Plan ²	\$205,000	\$210,000
Highly Compensated Employee Compensation Threshold ³	\$115,000	\$115,000
SEP Compensation Threshold	\$550	\$550
Social Security Taxable Wage Base for Social Security Tax (6.2%) For Medicare Tax (1.45% / 2.35%)	\$113,700 No Limit	\$117,000 No Limit
Health Savings Accounts:		
• Individual Contribution Limit	\$3,250	\$3,300
• Family Contribution Limit	\$6,450	\$6,550
• Catch-Up Contributions	\$1,000	\$1,000

- In no event may annual additions exceed 100% of a participant's compensation.
- In no event may a participant's annual benefit exceed 100% of the participant's average compensation for the participant's high three years.
- Generally, an employee is considered "highly compensated" if the employee:
 - was a five-percent owner of the employer at any time during the current or preceding year; **or**
 - received compensation from the employer in the preceding year of more than the applicable dollar limit for that year.

As always, if you have any questions, please do not hesitate to contact our office.

We wish everyone a very happy and safe Thanksgiving!