

# IRS Announces Retirement Plan Limits for 2019

*Cost of Living Adjustments Effective for Plan Years Beginning 1/1/2019\**

On November 1, 2018 the Internal Revenue Service in [Notice 2018-83](#) announced the cost-of-living adjustments that apply to dollar limits for retirement plans for the tax year beginning on January 1, 2019. As widely anticipated, due to an increase in the cost of living, as measured by the Bureau of Labor Statistic's Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) for the period covering the third quarter of 2017 to the third quarter of 2018, most limits experienced modest increases with a few remaining at the same level. Notably, the IRA limit is higher by \$500, now at \$6,000, the last increase to IRA amounts was in 2013. Salary deferral contribution amounts to 401(k), 403(b), and 457 plans are also up to \$19,000.

Earlier, on October 11, the [Social Security Administration announced](#) a 2.8% cost of living adjustment to benefits, the largest increase since 2012, resulting in a \$468 annual increase of benefits on average. On the other hand, the Taxable Wage Base increased from \$132,900 to \$128,400, \$4,500 per year. This results in a monthly \$46.50 Social Security tax increase year-over-year for those with earned income at or above the limit; the new maximum is now \$16,479.60, up from \$15,921.60 in 2018. As before, we have highlighted the year-over-year changes for easy identification.

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Elective deferral limit for 401(k), Roth 401(k), 403(b), Roth 403(b), & 457 Plans	\$19,000	\$18,500	\$18,000	\$18,000	\$18,000	\$17,500	\$17,500	\$17,000	\$16,500	\$16,500	\$16,500	\$15,500	\$15,500
Catch-up contribution limit for 401(k), Roth 401(k), 403(b), Roth 403(b), & 457 Plans	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$5,500	\$5,500	\$5,500	\$5,500	\$5,500	\$5,500	\$5,000	\$5,000
Elective deferral limit for SIMPLE IRA Plans	\$13,000	\$12,500	\$12,500	\$12,500	\$12,500	\$12,000	\$12,000	\$11,500	\$11,500	\$11,500	\$11,500	\$10,500	\$10,500
Catch-up contribution limit for SIMPLE IRA Plans	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500
Annual limit for defined contribution plans	\$56,000	\$55,000	\$54,000	\$53,000	\$53,000	\$52,000	\$51,000	\$50,000	\$49,000	\$49,000	\$49,000	\$46,000	\$45,000
Annual limit to SEP IRA Plans	\$56,000	\$55,000	\$54,000	\$53,000	\$53,000	\$52,000	\$51,000	\$50,000	\$49,000	\$49,000	\$49,000	\$46,000	\$45,000
Maximum plan compensation for retirement plan purposes	\$280,000	\$275,000	\$270,000	\$265,000	\$265,000	\$260,000	\$255,000	\$250,000	\$245,000	\$245,000	\$245,000	\$230,000	\$225,000
Annual benefit limit for defined benefit plans	\$225,000	\$220,000	\$215,000	\$210,000	\$210,000	\$210,000	\$205,000	\$200,000	\$195,000	\$195,000	\$195,000	\$185,000	\$180,000
Threshold amount for definition of a highly compensated employee	\$125,000	\$120,000	\$120,000	\$120,000	\$120,000	\$115,000	\$115,000	\$115,000	\$110,000	\$110,000	\$110,000	\$105,000	\$100,000
Threshold amount for definition of a key employee in top heavy plans	\$180,000	\$175,000	\$175,000	\$170,000	\$170,000	\$170,000	\$165,000	\$165,000	\$160,000	\$160,000	\$160,000	\$150,000	\$145,000
SEP IRA compensation threshold for eligibility	\$600	\$600	\$600	\$600	\$600	\$550	\$550	\$550	\$550	\$550	\$550	\$500	\$500
Social Security Taxable Wage Base	\$132,900	\$128,400	\$127,200	\$118,500	\$118,500	\$117,000	\$113,700	\$110,100	\$106,800	\$106,800	\$106,800	\$102,000	\$97,500
IRA or Roth IRA contribution limit	\$6,000	\$5,500	\$5,500	\$5,500	\$5,500	\$5,500	\$5,500	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$4,000
Catch-up contribution limit for IRA or Roth IRA	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
IRA Deduction phase-out limit for active plan participants starts at													
Single	\$64,000	\$63,000	\$62,000	\$61,000	\$61,000	\$60,000	\$59,000	\$58,000	\$56,000	\$56,000	\$55,000	\$53,000	\$52,000
Married Filing Jointly	\$103,000	\$101,000	\$99,000	\$98,000	\$98,000	\$96,000	\$95,000	\$92,000	\$90,000	\$89,000	\$89,000	\$85,000	\$83,000
Married Filing Jointly and one spouse is covered by a plan	\$193,000	\$189,000	\$186,000	\$184,000	\$183,000	\$181,000	\$178,000	\$173,000	\$169,000	\$167,000	\$166,000	\$159,000	\$156,000
Roth IRA contribution phase-out limit starts at													
Single	\$122,000	\$120,000	\$118,000	\$117,000	\$116,000	\$114,000	\$112,000	\$110,000	\$107,000	\$105,000	\$105,000	\$101,000	\$99,000
Married Filing Jointly	\$193,000	\$189,000	\$186,000	\$184,000	\$183,000	\$181,000	\$178,000	\$173,000	\$169,000	\$167,000	\$166,000	\$159,000	\$156,000

\* This summary is designed to provide an overview of the dollar limitations for retirement plans applicable in 2019 and is not comprehensive. It is intended for general information only and is believed to be accurate and reliable as of posting date but may be subject to change. IIS Financial Services is an Independent Financial Planning Firm located in Portland and Augusta, Maine with securities and advisory services offered through Cetera Advisors LLC member FINRA, SIPC. Cetera is under separate ownership from IIS Financial Services.