

2015 Cost of Living Adjustments Announced

On October 23, 2014, the Internal Revenue Service released Information Release 2014-99.

The 2015 dollar limits are as follows:

<u>LIMIT</u>	<u>2015</u>	<u>2014</u>
Defined Benefit Plans		
The maximum dollar limitation for annual benefits under defined benefit plans under Internal Revenue Code (IRC) Section 415(b)(1)(A). EGTRRA amended this limitation for annual benefits to the lesser of \$160,000 (as adjusted for inflation) or 100% of the participant's average compensation for his high 3 years.	\$210,000	\$210,000
Defined Contribution Plan 415 dollar limit		
The dollar limitation for annual additions under defined contribution plans under IRC Section 415(c)(1)(A). EGTRRA amended this limitation on annual additions, which is the lesser of \$40,000 (as adjusted for inflation) or 100% of compensation.	\$53,000	\$52,000
401(k)/403(b)/Existing SARSEP Elective deferral limit	\$18,000	\$17,500
The limitation on cumulative elective deferrals to a 401(k), 403(b) tax deferred annuity, simplified employee pension, and SIMPLE retirement plan in a tax year, as coordinated under IRC Section 402(g)(1).		
457 Deferral Limits		
The limitation on deferrals to 457 plans under IRC Section 457(e)(15). EGTRRA amended this contributions limitation under an eligible 457 deferred compensation plan to be the lesser of 100% of includible compensation or the year's applicable dollar limit.	\$18,000	\$17,500

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LIMIT

2015

2014

403(b) Catch-up limit

The maximum available 402(g) elective deferral limit plus the special catch-up election for employees participating in a 403(b) tax deferred annuity who have had at least 15 years of service with an educational organization, hospital, home health agency, health and welfare service agency, church or convention or association of churches. *Note: The additional 403(b) special catch-up of up to \$3,000 per year cannot exceed cumulatively \$15,000 over the lifetime of the 403(b) participant.*

\$21,000

\$20,500

457 Catch-up limit

The special catch-up election for employees participating in an eligible 457 deferred compensation who have elected the special catch-up available in the three years prior to the year of normal retirement age.

\$36,000

\$35,000

Note: The participant in a governmental 457(b) plan may make catch-up contributions in a year equal to the greater of (a) the amount permitted under the age 50+ catch-up rule, or (b) the amount permitted under the normal retirement age catch-up rule.

Age 50+ Catch-up Limits

The special catch-up available under Internal Revenue Code (IRC) Section 414(v) for individuals at least 50 years old in 2014 and make eligible pre-tax contributions to 401(k), 403(b), and governmental 457 plans.

\$6,000

\$5,500

The special catch-up is available for individuals who are at least 50 years old in 2014 and make eligible pre-tax contributions to a SIMPLE plan.

\$3,000

\$2,500

Definition of Key Employee

The compensation threshold used for determining key employees under IRS Section 416(i)(1)(A)(i).

\$170,000

\$170,000

Definition of Highly Compensated Employees

The compensation threshold used for determining highly compensated employees under IRC Section 414(q)(1)(B).

\$120,000

\$115,000

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LIMIT**2015****2014****Compensation Limit**

The annual limit of compensation that may be taken into account for contribution purposes in accordance with IRC Section 401(a)(17) (nongovernmental plan sponsors).	\$265,000	\$260,000
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The annual limit of compensation that may be taken into account for contribution purposes in accordance with IRC Section 401(a)(17) (governmental plan sponsors).	\$395,000	\$385,000
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Adjusted Gross Income Limit for Saver's Credit

The highest adjusted gross income (based on federal income tax filing status) taken into account for eligibility for the Saver's Credit.	\$61,000	\$60,000 (joint)
	\$30,500	\$30,000 (single)
	\$45,750	\$45,000 (head of household)

SIMPLE Retirement Accounts

Compensation taken into account that an employee may elect to defer under a SIMPLE retirement plan described in IRC Section 408(p)(2).	\$12,500	\$12,000
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Compensation for SEPs

Compensation taken into account to determine eligibility for simplified employee pensions (SEPs).	\$600	\$550
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On October 22, 2014, the Social Security Administration released its cost of living information for 2015:

Taxable Wage Base**2015****2014**

Maximum amount of earnings subject to payroll tax.	\$118,500	\$117,000
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