



Flashpoint: IRS Announces 2018 Cost of Living Adjustments

The IRS just released the cost of living adjustments for various retirement plan limitations that will take effect on January 1, 2018. Many of the limits will be increasing for 2018. The Consumer Price Index, on which these limits are based, went up 2.2% during the prior twelve months. The key limits that increased (shown below in *bold italics*) include the compensation that is taken into account for plan purposes, the salary deferral limit, and the total amount that can be contributed on behalf of any participant in a defined contribution (including 401(k)) plan. The 2018 and current limits are as follows:

	For Calendar Year	
	2017	2018
Maximum Defined Benefit Plan Benefit (IRC §415(b)) (<i>applies to limitation years <u>ending</u> in indicated year</i>)	\$215,000	\$220,000
Maximum Defined Contribution Annual Addition (IRC §415(c)) (<i>applies to limitation years <u>ending</u> in indicated year</i>)	\$54,000	\$55,000
Salary Deferral Limit (IRC §402(g))	\$18,000	\$18,500
Catch-up Limit for 401(k), 403(b), 457 plans (<i>applies to <u>calendar</u> year</i>)	\$6,000	\$6,000
HCE Compensation (<i>applies to lookback years in indicated year</i>)	\$120,000	\$120,000
Maximum Compensation for Retirement Plan Purposes (IRC §401(a)(17)) (<i>applies to plan years <u>beginning</u> in indicated year</i>)	\$270,000	\$275,000
Key Employee: Officer	\$175,000	\$175,000
Key Employee: 1% Owner	\$150,000	\$150,000
Social Security Taxable Wage Base for OASDI Contributions	\$127,200	\$128,400
457(b) Contribution Limit	\$18,000	\$18,500

SIMPLE Salary Deferral Limit	\$12,500	\$12,500
SIMPLE Catch-up Limit	\$3,000	\$3,000
IRA Contribution Limit	\$5,500	\$5,500
IRA Catch-up Limit	\$1,000	\$1,000
SEP Threshold	\$600	\$600
ESOP: 5-year Distribution Factor	\$215,000	\$220,000
ESOP: Account Balance	\$1,080,000	\$1,105,000

If you have any questions, please let us know.

Pensions on Peachtree – April 23-24, 2018 – Atlanta, GA – Save the date!

The professional educators at FIS and Ferenczy Benefits Law Center are again joining forces to bring you their fifth annual conference – Pensions on Peachtree 2018.

This intimate regional conference offers you the chance to get close and personal with our panel of speakers composed of Ilene Ferenczy, Alison Cohen, Robert Richter, David Schultz, Derrin Watson, and Aaron Moody. Mingle with them and other attendees at our pre-conference happy hour and at Ilene’s home BBQ. Participate in the discussions and interactive sessions. Bring your most intriguing questions and issues to the speakers during the presentations and at the “Ask the Oracles” session.

You may earn up to 15 hours of continuing education credits (50 minutes per hour), including 2 ethics credit hours.

The conference will take place at the Atlanta Marriott Century Center/Emory Area, in Atlanta, GA. Program details and online registration will be available in late January 2018, on our website, www.ferenczylaw.com.

Need Education?

We are very pleased to announce that Ilene and Alison will be teaching a DC-1 Review Class for the ASPPA Benefits Council of Atlanta that will be available for live streaming by **anyone anywhere**. If you or people in your office are intending to take the DC-1 examination at the end of this year, or are just looking for a good refresher class worth ASPPA and NIPA CEs, this is a great opportunity for a leg up on passing the exam in a very economical way. The class will be held on November 2nd and 3rd from 12:00 p.m. to 4:00 p.m. EST. Attendees will see the speakers and the material on their computer screens and will have the ability to ask questions and get real time answers. (If you are or will be in Atlanta on those days, you can attend in person and get lunch included!)

For more information or registration, go to <https://atlantaabc.com/event/dc-1-exam-prep-class/>.



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