

INCREASES COMING TO RETIREMENT AND WELFARE PLAN LIMITS IN 2018

On Oct. 19, the Internal Revenue Service announced that some key retirement plan dollar limitations will increase in 2018, including the limit on elective salary deferral contributions on a combined pre-tax and Roth basis, moving from \$18,000 to \$18,500. Other limits, including the catch-up contribution limit of \$6,000, will remain unchanged. The IRS also announced that the limit on salary reduction contributions under a health flexible spending account (FSA) will increase from \$2,600 to \$2,650 in 2018, and as noted below, key limitations for health savings accounts (HSAs) will increase in 2018. Lastly, for purposes of withholding and paying FICA and FUTA taxes, the Social Security Wage Base is increasing from \$127,200 in 2017 to \$128,700 in 2018.

Key retirement plan limits for 2018:

Limit	2017	2018
Social Security Wage Base	\$127,200	\$128,700
Elective Deferral/Roth contribution limit for 401(k), 403(b) and 457 plans	\$18,000	\$18,500
Catch-up contribution limit for employees aged 50 and over for 401(k), 403(b) and 457 plans	\$6,000	\$6,000
IRA contribution limit	\$5,500	\$5,500
IRA catch-up for individuals aged 50 and over	\$1,000	\$1,000

PEOPLE

Scott E. Hunt

SERVICES AND INDUSTRIES

Employee Benefits and Executive Compensation

Employment and Labor

Tax

415 limit for defined contribution plans	\$54,000	\$55,000
Compensation limit for qualified plans	\$270,000	\$275,000

Key HSA limits for 2018:

Limit	2017	2018
Annual contribution limit:		
Self-only coverage	\$3,400	\$3,450
Family coverage	\$6,750	\$6,900
Catch-up contribution (age 55 and over)	\$1,000	\$1,000
High deductible health plan (HDHP) minimum deductible requirements:		
Self-only coverage	\$1,300	\$1,350
Family coverage	\$2,600	\$2,700
HDHP annual out-of-pocket maximum:		
Self-only coverage	\$6,550	\$6,650
Family coverage	\$13,100	\$13,300

These changes will be effective for plan years that begin on or after Jan. 1, 2018.