

THE WAGNER LAW GROUP



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ERISA & Employee Benefits Law Alert

The Wagner Law Group

The Wagner Law Group is a nationally recognized practice in the areas of ERISA and employee benefits, estate planning, employment, labor and human resources and investment management.

Established in 1996, The Wagner Law Group is dedicated to the highest standards of integrity, excellence and thought leadership and is considered to be amongst the nation's premier ERISA and employee benefits law firms. The firm has eight offices across the country, providing unparalleled legal advice to its clients, including large, small and nonprofit corporations as well as individuals and government entities worldwide. The Wagner Law Group's 36 attorneys, senior benefits consultant and six paralegals combine many years of experience in their fields of practice with a variety of backgrounds. The firm's attorneys include those who are AV-rated by Martindale-Hubbell, Fellows of the American College of Employee Benefits Counsel, an invitation-only organization of nationally recognized employee benefits lawyer, as well as those who have been named to the prestigious Super Lawyers lists, which highlight outstanding lawyers based on a rigorous selection process. The Wagner Law Group is certified as a woman-owned and operated business by the Women's Business Enterprise National Council.

IRS ANNOUNCES 2019 RETIREMENT PLAN LIMITATIONS

The Internal Revenue Service announced cost-of-living adjustments affecting certain dollar limitations for pension plans and other retirement-related limitations for 2019, as detailed in [Notice 2018-83](#).

The following chart details the 2019 retirement plan dollar limitation cost-of-living adjustments:

Limitation Description	2018	2019
Maximum annual benefit under a defined benefit plan under IRC Section 415(b)(1)(A)	\$220,000	\$225,000
Maximum annual contribution to an individual's defined contribution plan account under IRC Section 415(c)	\$55,000 (plus catch-up)	\$56,000 (plus catch-up)
Maximum amount of annual compensation that may be taken into account for determining benefits or contributions to retirement plans under IRC Sections 401(a)(17), 404(l), 408(k)(3)(C), and 408(k)(6)(D)(ii)	\$275,000	\$280,000
Dollar amount for determining maximum account balance in an employee stock ownership plan subject to a 5-year distribution period under IRC Section 409(o)(1)(C)(ii)	\$1,105,000	\$1,130,000
Elective contribution limit under 401(k), 403(b), most 457	\$18,500	\$19,000

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plans, and the federal government's Thrift Savings Plan		
Dollar amount used for determining the lengthening of the 5-year distribution period in an employee stock ownership plan under IRC Section 409(o)(1)(C)(ii)	\$220,000	\$225,000
Dollar limitation used in the definition of "highly compensated employee" under IRC Section 414(q)(1)(B)	\$120,000	\$125,000
Amount of compensation to be a "key" employee under IRC Section 416(i)(1)(A)(i)	\$175,000	\$180,000
Dollar limitation under IRC Section 408(p)(2)(E) for salary deferral contributions to SIMPLE retirement accounts	\$12,500	\$13,000
Limit on annual contributions to an IRA	\$5,500	\$6,000
Wage Base For Social Security Tax	\$128,400	\$132,900*

*October 11, 2018 [SSA announcement](#)

The following limits remain unadjusted for 2019:

- Limitation concerning the qualified gratuitous transfer of qualified employer securities to an employee stock ownership plan under IRC Section 664(g)(7) remains unchanged at \$50,000
- The catch-up contribution limit for employees who are age 50 and over who participate in 401(k), 403(b), most 457 plans, and the federal government's Thrift Savings Plan remains unchanged at \$6,000.
- The additional catch-up contribution limit to an IRA for individuals age 50 and over remains \$1,000.
- The minimum compensation amount under IRC Section 408(k)(2)(C) for simplified employee pensions (SEPs) remains \$600.

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