

IRS Announces COLA Adjustments to Retirement Plan Limitations for 2013

Effective date: January 1, 2013

MAXIMUM DOLLAR LIMITS

	2013	2012	2011	2010	2008	2008	2007	2006	2005	2004	2003	2002	2001	2000
401(k) & 403(b) Elective Deferrals (IRC § 402(a)(1))	\$17,500	\$17,000	\$16,500	\$16,500	\$16,500	\$16,500	\$16,500	\$16,000	\$14,000	\$13,000	\$12,000	\$11,000	\$10,500	\$10,500
Catch-Up Elective Deferrals (IRC § 414(v)(2)(B)(ii))	\$5,500	\$5,500	\$5,500	\$5,500	\$5,500	\$5,500	\$5,000	\$4,000	\$3,000	\$2,000	\$1,000	N/A	N/A	N/A
Defined Benefit Plan Benefits (IRC § 416(b)(1)(A))	\$205,000	\$200,000	\$195,000	\$195,000	\$195,000	\$185,000	\$180,000	\$175,000	\$170,000	\$165,000	\$160,000	\$160,000	\$140,000	\$135,000
Defined Contribution Plan Contributions (IRC § 416(c)(1)(A))	\$51,000	\$50,000	\$49,000	\$49,000	\$49,000	\$46,000	\$46,000	\$44,000	\$42,000	\$41,000	\$40,000	\$40,000	\$35,000	\$30,000
Annual Compensation Limit (IRC § 401(a)(17) and IRC § 404(i))	\$255,000	\$250,000	\$245,000	\$245,000	\$245,000	\$230,000	\$225,000	\$220,000	\$210,000	\$205,000	\$200,000	\$200,000	\$170,000	\$170,000
Special Compensation Limit for Government Plans*	\$380,000	\$375,000	\$380,000	\$380,000	\$380,000	\$345,000	\$335,000	\$325,000	\$315,000	\$305,000	\$300,000	\$300,000	\$285,000	\$275,000
457(b) Deferral (IRC § 457(e)(15))	\$17,500	\$17,000	\$16,500	\$16,500	\$16,500	\$16,500	\$16,500	\$16,000	\$14,000	\$13,000	\$12,000	\$11,000	\$8,500	\$8,000
Highly Compensated Employee (IRC § 414(q)(1)(B))**	\$115,000	\$115,000	\$110,000	\$110,000	\$110,000	\$105,000	\$100,000	\$100,000	\$95,000	\$90,000	\$90,000	\$90,000	\$85,000	\$85,000
Simple Plan Deferral (IRC § 408(g)(2)(E))	\$12,000	\$11,500	\$11,500	\$11,500	\$11,500	\$10,500	\$10,500	\$10,000	\$10,000	\$9,000	\$8,000	\$7,000	\$6,000	\$6,000
Simple Plan Catch-Up Elective Deferrals (IRC § 414(v)(2)(B)(ii))	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,000	\$2,000	\$1,000	\$500	N/A	N/A
SEP Coverage (IRC § 408(k)(2)(C))	\$550	\$550	\$550	\$550	\$550	\$500	\$500	\$450	\$450	\$450	\$450	\$450	\$450	\$450
SEP Compensation (IRC § 408(k)(3)(C) and IRC § 408(k)(9)(D)(ii))	\$255,000	\$250,000	\$245,000	\$245,000	\$245,000	\$230,000	\$225,000	\$220,000	\$210,000	\$205,000	\$200,000	\$200,000	\$170,000	\$170,000
Tax Credit ESOP Maximum Balance (IRC § 408(c)(1)(C)(ii))	\$1,035,000	\$1,015,000	\$985,000	\$985,000	\$985,000	\$935,000	\$915,000	\$885,000	\$850,000	\$830,000	\$810,000	\$800,000	\$780,000	\$755,000
Amount for Lengthening of 5-year ESOP Period	\$205,000	\$200,000	\$195,000	\$195,000	\$195,000	\$185,000	\$180,000	\$175,000	\$170,000	\$165,000	\$160,000	\$160,000	\$150,000	\$150,000
PBGC Monthly Maximum Guarantee***	***	\$4,953.41	\$4,500.00	\$4,500.00	\$4,500.00	\$4,312.50	\$4,125.00	\$3,971.59	\$3,801.14	\$3,698.86	\$3,644.77	\$3,579.56	\$3,392.05	\$3,221.59
Social Security Tax Wage Base	\$113,700	\$110,100	\$108,800	\$108,800	\$108,800	\$102,000	\$97,500	\$94,200	\$80,000	\$87,900	\$87,000	\$84,900	\$80,400	\$79,200
Key Employee Officer Compensation (IRC § 4180(1)(A)(i))	\$165,000	\$165,000	\$160,000	\$160,000	\$160,000	\$160,000	\$145,000	\$140,000	\$135,000	\$130,000	\$130,000	\$130,000	N/A	N/A
FICA Tax for employees	7.65%	7.65%	7.65%	7.65%	7.65%	7.65%	7.65%	7.65%	7.65%	7.65%	7.65%	7.65%	7.65%	7.65%
FICA Tax for employers	7.65%	7.65%	7.65%	7.65%	7.65%	7.65%	7.65%	7.65%	7.65%	7.65%	7.65%	7.65%	7.65%	7.65%
QASDI Tax for employees	6.20%	6.20%	6.20%	6.20%	6.20%	6.20%	6.20%	6.20%	6.20%	6.20%	6.20%	6.20%	6.20%	6.20%
QASDI Tax for employers	6.20%	6.20%	6.20%	6.20%	6.20%	6.20%	6.20%	6.20%	6.20%	6.20%	6.20%	6.20%	6.20%	6.20%
Medicare Tax for employees and employers	1.45%	1.45%	1.45%	1.45%	1.45%	1.45%	1.45%	1.45%	1.45%	1.45%	1.45%	1.45%	1.45%	1.45%
SECA Tax for self-employed workers	15.30%	13.30%	13.30%	13.30%	13.30%	16.30%	16.30%	16.30%	16.30%	16.30%	16.30%	16.30%	16.30%	16.30%
Social Security Tax for self-employed workers	12.40%	10.40%	10.40%	10.40%	10.40%	12.40%	12.40%	12.40%	12.40%	12.40%	12.40%	12.40%	12.40%	12.40%
Medicare Tax for self-employed workers	2.90%	2.90%	2.90%	2.90%	2.90%	2.90%	2.90%	2.90%	2.90%	2.90%	2.90%	2.90%	2.90%	2.90%

* Note: Special annual compensation limit for governmental plans applies only to eligible participants in governmental plans which imposed 401(a)(17) limits with indexing on July 1, 1993. The IRS did not publish these special limits for 1996 or 1997; therefore, a plan's actuary may have determined the limit for such years.

** Highly compensated employee determination is based on amounts earned in "look-back" year. Thus, whether an employee is highly compensated for the 2013 plan year is based on whether his/her 2012 compensation exceeded the compensation amount listed for 2012.

*** PBGC has not yet released the official 2013 amount.

• The Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010 reduced 2011 Social Security tax rates for employees and self-employed people by two percentage points. In February, Congress passed and the President signed the Middle Class Tax Relief and Job Creation Act of 2012, which extended these cuts through the end of 2012. Without further changes in the law, these tax rates will return to 6.2% and 12.4%, respectively, beginning in 2013.

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