

Clients and Friends:

The IRS has released the cost of living increases for various retirement plan limitations that will take effect on January 1, 2018.

- The 401(k) salary deferral limit increased.
- The catch-up contribution is unchanged.
- The compensation that is taken into account for plan purposes and the total amount that can be contributed on behalf of any participant in a defined contribution plan is increased.

The limits are as follows:

Calendar Year Plan Limitations	2018	2017
401(k) Salary Deferral (pre-tax or Roth)	\$18,500	\$18,000
401(k) "Catch-Up" Contribution	\$6,000	\$6,000
Compensation Recognized in Plans	\$275,000	\$270,000
Defined Contribution Limit per Person	\$55,000	\$54,000
Defined Contribution Limit per Person age 50 or older	\$61,000	\$60,000
Highly Compensated Employee Definition	\$120,000	\$120,000
Social Security Wage Base	\$128,700	\$127,200
Key Employee: Officer	\$175,000	\$175,000
Key Employee: 1% Owner	\$150,000	\$150,000

If you have any questions about these new limits, or any other part of your retirement plan, please contact Deanna Safe 312-382-0252.

Also see our regular newsletters at www.safeassociates.com