

November 1, 2013



## IRS Publishes 2014 Pension Plan Limitations

Yesterday, the IRS announced cost-of-living adjustments applicable to certain dollar limitations for employee pension benefit plans for 2014:

- The annual benefit limit for defined benefit plans is increased from \$205,000 to \$210,000.
- The annual addition limit for defined contribution plans is increased from \$51,000 to \$52,000.
- The annual limit with respect to the exclusion for elective deferrals to a 401(k), 403(b) or 457 plan remains unchanged at \$17,500.
- The annual limit on contributions to an individual retirement account (IRA) remains unchanged at \$5,500. The dollar limit for catch-up contributions to an IRA remains unchanged at \$1,000.
- The annual limit on compensation that can be taken into account under a qualified retirement plan is increased from \$255,000 to \$260,000.
- The dollar limit for defining key employees in a top-heavy plan is increased from \$165,000 to \$170,000.
- The dollar amount for determining the maximum account balance in an employee stock ownership plan (ESOP) subject to a five-year distribution period is increased from \$1,035,000 to \$1,050,000. The dollar amount used to determine the lengthening of the five-year distribution period is increased from \$205,000 to \$210,000.
- The dollar limit for catch-up contributions under a 401(k) plan for anyone 50 and older remains unchanged at \$5,500, while the limit applicable to those participants under SIMPLE plans and SIMPLE IRAs remains unchanged at \$2,500.
- The limitation used in the definition of highly compensated employee remains unchanged at \$115,000.

A complete list of applicable pension plan limitations can be found by clicking [here](#).

### Related practice areas:

[Employee Benefits and Executive Compensation](#)

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If you have any questions about the cost-of-living adjustments or any other employee benefits or executive compensation matter, please contact a member of Day Pitney's Employee Benefits and Executive Compensation group.

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