

November 5, 2014



## IRS Publishes 2015 Retirement Plan Limitations

The IRS announced cost-of-living adjustments applicable to certain dollar limitations for employee pension benefit plans for 2015:

- The annual benefit limit for defined benefit plans remains unchanged at \$210,000.
- The annual addition limit for defined contribution plans is increased from \$52,000 to \$53,000.
- The annual limit with respect to the exclusion for elective deferrals to a 401(k), 403(b) or 457 plan is increased from \$17,500 to \$18,000.
- The annual limit on yearly 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 \$260,000 to \$265,000.
- The dollar limit for defining key employees in a top-heavy plan remains unchanged at \$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 \$1,050,000 to \$1,070,000. The dollar amount used to determine the lengthening of the five-year distribution period remains unchanged at \$210,000.
- The dollar limit for catch-up contributions for anyone 50 and older is increased from \$5,500 to \$6,000, while the limit applicable to those participants under SIMPLE plans and SIMPLE IRAs is increased from \$2,500 to \$3,000.
- The limitation used in the definition of highly compensated employee is increased from \$115,000 to \$120,000.

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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