

COST OF LIVING INCREASES

Dollar Limitations on Benefits and Contributions

The Internal Revenue Code provides for dollar limitations on benefits and contributions under qualified retirement plans. Code Section 415 requires the limit to be adjusted annually for cost-of-living increases. IRS announced these increases on October 18, 2012.

	Y E A R (Beginning January 1)		
	2013	2012	2011
IRA			
Contribution Limit - 219(b)(5)(A)	\$5,500	\$5,000	\$5,000
Catch-Up Contributions Limit - 219(b)(5)(B)	1,000	1,000	1,000
AGI Deduction Phase-out Starting at			
Joint Return	95,000	92,000	\$90,000
Single or Head of Household	59,000	58,000	56,000
SEP			
Minimum Compensation - 408(k)(2)(C)	\$550	\$550	\$550
Maximum Compensation - 408(k)(3)(C)	255,000	250,000	245,000
SIMPLE Plans			
Salary Reduction:			
Maximum Contributions - 408(p)(2)(E)	\$12,000	\$11,500	\$11,500
Catch-up Contributions - 414(v)(2)(B)(ii)	2,500	2,500	2,500
Maximum Er Contributions	3% Match, 2% No-elective		
401(k), 403(b), Profit-Sharing Plans			
Annual Compensation - 401(a)(17)/404(l)	\$255,000	\$250,000	\$245,000
Elective Deferrals - 402(g)(1)	17,500	17,000	16,500
Catch-up Contributions - 414(v)(2)(B)(i)	5,500	5,500	5,500
Defined Contribution Limits - 415(c)(1)(A)	51,000	50,000	49,000
Other			
HCE Pay Threshold - 414(q)(1)(B)	\$115,000	\$115,000	\$110,000
Defined Benefit Limits - 415(b)(1)(A)	205,000	200,000	195,000
Key Employee Pay - 416(i)(1)(A)(i)	165,000	165,000	160,000
457 Elective Deferrals - 457(e)(15)	17,500	17,000	16,500
Control Employee - 1.61-21(f)(5)(i)	100,000	100,000	95,000
Control Employee - 1.61-21(f)(5)(iii)	205,000	205,000	195,000
Social Security Taxable Wage Base	113,700	110,100	106,800