
IRS Benefit Plan Limits for 2013

The Internal Revenue Service (IRS) has announced contribution limits for retirement plan participants for 2013. Many of the limits will change because the increase in the cost-of-living index met the statutory thresholds that trigger their adjustment.

The maximum annual contribution employees can make through salary reduction to a 401(k), 457(b), or 403(b) plan will increase to **\$17,500 in 2013**, from the current rate of \$17,000. Catch-up contributions for employees 50 years of age and older will remain the same, at a maximum of **\$5,500** per year.

The dollar limit used in the definition of a key employee and highly compensated employee remain unchanged at \$165,000 and \$115,000, respectively.

401(k) Plan Limits for Plan Year	2013 Limit	2012 Limit	IRC Reference
401(k) Elective Deferral Limit ¹	\$17,500	\$17,000	402(g)(1)
Catch-Up Contribution ²	\$5,500	\$5,500	414(v)(2)(B)(i)
Defined Contribution Dollar Limit	\$51,000	\$50,000	415(c)(1)(A)
Compensation Limit ³	\$255,000	\$250,000	401(a)(17); 404(i)
Highly Compensated Employee Income Limit	\$115,000	\$115,000	414(q)(1)(B)
Key Employee Officer Limit	\$165,000	\$165,000	416(i)(1)(A)(i)
Non-401(k) Limits			
403(b) Elective Deferral Limit ¹	\$17,500	\$17,000	402(g)(1)
Defined Benefit Dollar Limit	\$205,000	\$200,000	415(b)(1)(A)
457 Employee Deferral Limit	\$17,500	\$17,000	457(e)(15)

¹ Employee deferrals to all 401(k) and 403(b) plans must be aggregated for purposes of this limit.

² Available to employees age 50 and older during the calendar year.

³ All compensation from a single employer (including all members of a controlled group) must be aggregated for purposes of this limit.

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