



## Qualified Plans – Deduction Limit Changes Updated for 2015

MVP Plan Administrators, Inc. is pleased to announce the Pension Plan Limitations for 2015.

**Elective Deferrals 402(g) for 401(k), 403(b) and 457 Plans** - This limit is combined for Roth or Pre-tax deferral elections. The limit on elective deferrals (again a combined Roth or pre-tax) for participants in 401(k), 403(b) and 457 plans (excluding SIMPLE plans) has increased to **\$18,000**.

**Catch-up contributions 414(v)(2)(B)(i)** - A participant who is at least age 50 before the end of the calendar year may be eligible to make catch-up contributions. This amount is in addition to the Elective Deferrals and can be either a Roth or Pre-tax election. The catch-up remains has increased to **\$6,000**.

**Simple Plans Elective Deferrals** - This limit is combined for Roth or Pre-tax deferral elections. The limit on elective deferrals (again a combined Roth or pre-tax) for participants is **\$12,500**.

**Simple Plans Catch-up contributions** - This limit is combined for Roth or Pre-tax deferral elections. The limit on elective deferrals (again a combined Roth or pre-tax) for is **\$3,000**.

**Limitation for Defined Contribution Plans 415(c)(1)(A)** – This limitation is a total aggregate contribution including elective deferral (Pretax or ROTH) contributions, employer contributions and forfeitures. This limit increased from \$52,000 to **\$53,000**.

**The Annual Compensation Limit under Sections 401(a)(17), 404(l)** – This is the maximum amount of earned income that may be considered for plan purposes. This limitation has increased from \$260,000 to **\$265,000**.

**Social Security Taxable Wage Base** – This is the dollar limitation that social security tax is paid. This wage amount is also used in the formula for permitted disparity (integrated) plans and has increased from \$117,000 to **\$118,500**.

**The Limitation used to define a Highly Compensated Employee under Section 414(q)(1)(B)** – This is the dollar limit for determining which participants will be Highly Compensated Employees. This limitation has increased from \$115,000 to **\$120,000**.

**The Limitation used to define Key Employee under Section 416(i)(1)(A)(i)** – This is the dollar limit used for determining which participants will be considered a Key Employee for a top heavy plan. This limit remains unchanged at **\$170,000**.

Please feel free to contact us with any questions you may have. Thanks!