



The Compliance Edge®

Employer/Client General Information Release

October 19, 2017

Maximum Allowable Contribution (MAC) Limits for 2018

TSA Consulting Group (TSACG) is committed to providing our clients with the most current 403(b), 457(b), and 401(k) Plan information as it is released by the IRS. The latest IRS information concerning MAC limits indicates that the normal limit has been increased for calendar year 2018.

MAC Limits for 2018

- The normal calendar year limit for 403(b), 457(b) and 401(k) plans will increase from \$18,000 to \$18,500 for 2018.
- The age-based additional amount (age 50 by 12/31/2018) will remain unchanged at \$6,000 for 2018.
- Any other catch-up options that may be applicable to your Plan(s) remain unchanged.

Examples

All employees, regardless of age or years of service, may contribute up to \$18,500 to their 403(b), 457(b) or 401(k) account in 2018. (The limit is coordinated for 403(b) and 401(k) accounts and 457(b) accounts are not coordinated with other plans.)

Employees who will attain age 50 by 12/31/2018 may contribute an additional \$6,000 to 403(b), 457(b) and/or 401(k) accounts in 2018. (This limit is coordinated for 403(b) and 401(k) accounts.)

IRC §415 Limit

The overall employee and employer contribution limit for 401(a), 401(k) and 403(b) plans did increase by \$1,000 to a total of \$55,000 effective January 1, 2018. This overall defined contribution limit is of special importance to those plan sponsors with Special Pay Plans that are designed to accommodate accumulated leave payments.

Questions regarding this information should be directed to your program consultant.

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