

Client Advisory | October 2012

## IRS Announces 2013 Retirement Plan Limitations

By: Lori A. Basilico

The Internal Revenue Service announced the 2013 cost-of-living adjustments to the dollar limitations for qualified retirement plans and other benefits, and the Social Security Administration announced its own cost-of-living adjustments for 2013. Many of the limits are increasing for 2013.

### Retirement Plan Limits and Social Security Wage Base

	2013 Limits	2012 Limits
401(k)/403(b)/457(b) Elective Deferrals	\$17,500	\$17,000
Catch-Up Contribution (plans other than SIMPLE plans)	\$5,500	\$5,500
SIMPLE Plan Employee Deferrals	\$12,000	\$11,500
SIMPLE Plan Catch-Up Contributions	\$2,500	\$2,500
Plan Maximum Annual Contribution – Defined Contribution Plans (Section 415(c))	\$51,000	\$50,000
Maximum Annual Benefit – Defined Benefit Plans (Section 415(b))	\$205,000	\$200,000
Compensation Limit under Section 401(a)(17)	\$255,000	\$250,000
Highly Compensated Employee Definition under Section 414(q)	\$115,000	\$115,000
Key Employees Officer Compensation for Top-Heavy Plans	\$165,000	\$165,000
Maximum ESOP Account Balance Subject to 5-Year Distribution Period	\$1,035,000	\$1,015,000
ESOP Dollar Amount Used to Determine the Lengthening of the 5-Year Distribution Period	\$205,000	\$200,000
Special Annual Compensation Limit for Governmental Plans in effect on July 1, 1993	\$380,000	\$375,000
Social Security (FICA) Wage Base	\$113,700	\$110,100

## Health Savings Account and High Deductible Health Plan Limits

Earlier this year, the IRS announced the inflation-adjusted amounts for health savings account and high-deductible health plans for 2013, which reflect an increase from 2012.

### Health Savings Accounts/HDHP Limits

	2013 Limits	2012 Limits
Annual Contribution Limit – HSA Contribution		
Self-Only Coverage	\$3,250	\$3,100
Family Coverage	\$6,450	\$6,250
High Deductible Health Plan – Minimum Annual Deductible		
Self-Only Coverage	\$1,250	\$1,200
Family Coverage	\$2,500	\$2,400
High Deductible Health Plan – Maximum Out of Pocket Limit		
Self-Only Coverage	\$6,250	\$6,050
Family Coverage	\$12,500	\$12,100

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Lori A. Basilio, Partner

+1 401 276 6475

lbasilico@edwardswildman.com

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