

2018/2019 dollar limitations for retirement plans



Wealth
Management

Some new limitations will apply to retirement plans and other benefit plans in 2019 as a result of cost-of-living adjustments made by the IRS and the Social Security Administration. The limits for 2019, as well as the 2018 limits, are as follows:

Account Types		2018 Limit	2019 Limit
IRA	Traditional and Roth IRA contribution limit	\$5,500	\$6,000
	Catch-up limit for individuals age 50 and older	\$1,000	\$1,000
SIMPLE IRA	Elective deferral limit	\$12,500	\$13,000
	Catch-up limit for individuals age 50 and older	\$3,000	\$3,000
	Maximum employer match (\$1 for \$1 match on the first 3% of employee compensation deferred).	\$12,500	\$13,000
	Maximum employer non-elective contribution (2% of employee's compensation, up to \$275K in 2018 and \$280K in 2019)	\$5,500	\$5,600
	Catch-up deferral is also matched by employer if individual is age 50 or older.	\$3,000	\$3,000
SEP IRA	Maximum SEP contribution	\$55,000	\$56,000
	SEP compensation exclusion	\$600	\$600
401(k), SARSEP, 403(b) and Governmental 457(b)	Elective deferral limit	\$18,500	\$19,000
	Catch-up limit for individuals age 50 and older	\$6,000	\$6,000
Profit Sharing, 401(k) and Money Purchase Pension	Defined contribution limit (415(c) limit)	\$55,000	\$56,000
Profit Sharing, 401(k), SEP and Money Purchase Pension	Employee annual compensation limit	\$275,000	\$280,000
401(k), SARSEP, 403(b) and Governmental 457(b)	Highly compensated employee limit (no requirement for 5% owner)	\$120,000	\$125,000
Profit Sharing, 401(k) and Money Purchase Pension	Top-heavy plan key employee compensation limit	\$175,000	\$180,000
Defined Benefit	Maximum annual benefit at retirement	\$220,000	\$225,000

Investment and insurance products offered through RBC Wealth Management are not insured by the FDIC or any other federal government agency, are not deposits or other obligations of, or guaranteed by, a bank or any bank affiliate, and are subject to investment risks, including possible loss of the principal amount invested.

Modified Adjusted Gross Income (MAGI) phase-out ranges for traditional IRA deduction when taxpayer is covered by a retirement plan at work			
Filing status		2018	2019
Single or head of household		\$63,000-\$73,000	\$64,000-\$74,000
Married filing jointly		\$101,000-\$121,000	\$103,000-\$123,000
Married filing jointly for non-covered spouse with a spouse who is an active participant		\$189,000-\$199,000	\$193,000-\$203,000
MAGI phase-out ranges for Roth IRA annual contributions			
Filing status		2018	2019
Single or head of household		\$120,000-\$135,000	\$122,000-\$137,000
Married filing jointly		\$189,000-\$199,000	\$193,000-\$203,000
Social Security			
		2018	2019
Social security taxable wage base		\$128,400	\$132,900
Maximum earnings for individuals under normal retirement age before Social Security benefits are reduced. One dollar in benefits will be withheld for every \$2 in earnings above the limit.		\$17,040 (\$1,420/mo)	\$17,640 (\$1,470/mo)
Maximum Social Security benefit at social security full retirement age		\$2,788	\$2,861
529/Gift Tax Exclusion			
Filing status		2018	2019
Single or head of household		\$15,000	\$15,000
Married filing jointly		\$30,000	\$30,000
Health Savings Accounts (HSAs)			
		2018	2019
Maximum contribution limit	Single	\$3,450	\$3,500
	Family	\$6,900	\$7,000
	Catch-Up (age 55 by the end of the year)	\$1,000	\$1,000
Minimum annual deductible for High Deductible Health Plan (HDHP)	Single	\$1,350	\$1,350
	Family	\$2,700	\$2,700
HDHP maximum out-of-pocket expenses	Single	\$6,650	\$6,750
	Family	\$13,300	\$13,500

If you have any questions about your retirement plan or these dollar limits, please contact your financial advisor.