

COLA 2018

Retirement Cost-of-Living Adjustments

TRI-AD presents the *Cost-of-Living Adjustments* (COLAs) for 2018. These limits are provided each year by the Internal Revenue Service and become effective **January 1, 2018**.

Maximum Dollar Limitations

Employee Deferral Limits	2018	2017	2016	2015	2014
401(k) Contribution	\$18,500	18,000	18,000	18,000	17,500
403(b) Contribution	\$18,500	18,000	18,000	18,000	17,500
457 Contribution	\$18,500	18,000	18,000	18,000	17,500
SIMPLE 401(k)/IRA	\$12,500	12,500	12,500	12,500	12,000
Employee Catch-Up Limits					
401(k), 403(b), 457	\$6,000	6,000	6,000	6,000	5,500
SIMPLE 401(k)/IRA	\$3,000	3,000	3,000	3,000	2,500
Other Plan Limitations					
Compensation Cap	\$275,000	270,000	265,000	265,000	260,000
Defined Benefit Plan Maximum Benefit	\$220,000	215,000	210,000	210,000	210,000
Defined Contribution Plan Maximum Contribution	\$55,000	54,000	53,000	53,000	52,000
Highly Compensated Employees' Compensation Exceeding	\$120,000	120,000	120,000	120,000	115,000
Key Employee Officer Compensation	\$175,000	175,000	170,000	170,000	170,000
Key Employee 1% Owner	\$150,000	150,000	150,000	150,000	150,000
SEP Participation Coverage Compensation Level	\$600	600	600	600	550
ESOP Threshold for 5-Year Distribution Period	\$1,105,000	1,080,000	1,070,000	1,070,000	1,050,000
ESOP Incremental Threshold for Extending 5-Year Distribution Period (max 5 additional years)	\$220,000	215,000	210,000	210,000	210,000
Social Security Taxable Wage Bases					
- Social Security	\$128,400	127,200	118,500	118,500	117,000
- Medicare	No Limit	No Limit	No Limit	No Limit	No Limit
Social Security Tax Rates					
	By Percentage				
- Social Security - Employer	6.20	6.20	6.20	6.20	6.20
- Social Security - Employee	6.20	6.20	6.20	6.20	6.20
- Medicare – Employer and Employee	1.45	1.45	1.45	1.45	1.45
- Per Employer/Per Employee Combined Rate	7.65	7.65	7.65	7.65	7.65
Combined Rate	15.30	15.30	15.30	15.30	15.30
Additional Medicare Tax on Wages above \$200,000 – Employee Only	.9*	.9*	.9*	.9*	.9*

*The Affordable Care Act imposes an additional .9% Medicare tax on wages above \$200,000 (\$250,000 for married couples filing jointly, \$125,000 for married couples filing separately and \$200,000 for other filers). Employers are required to withhold the additional .9% Medicare tax (a total of 2.35%) on wages above \$200,000 regardless of the employee's tax filing status. Employers do not match this additional tax.

For more information, please [contact us](#) through our website or call (800) 733-7555.

www.tri-ad.com

COLA 2018

Health & Welfare Cost-of-Living Adjustments

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Maximum Dollar Limitations

	2018	2017	2016	2015
Health Care Reimbursement Accounts in a Cafeteria Plan				
Maximum Contribution	\$2,650	2,600	2,550	2,550
Dependent Care Reimbursement Accounts in a Cafeteria Plan				
Maximum Contribution	\$5,000	5,000	5,000	5,000
Maximum Contribution if Married Filing Separately	\$2,500	2,500	2,500	2,500
Dependent Care Tax Credit on Personal Tax Return¹				
1 Qualifying Individual	\$3,000	3,000	3,000	3,000
2 or more Qualifying Individuals	\$6,000	6,000	6,000	6,000
Qualified Relative Income Allowance				
Maximum Amount a qualified relative can earn and still be considered a dependent for tax purposes	\$4,150	4,050	4,050	4,000
Qualified Transportation Plan				
Parking – Monthly Limit	\$260	255	255	250
Transit Passes and Vanpooling (Combined) – Monthly Limit	\$260	255	255	250/130
Bicycle benefit (Employer-funded) – Monthly Limit	\$20	20	20	20
Adoption Assistance Program²				
Maximum Exclusion for Employer-Provided Program ³	\$13,810	13,570	13,460	13,400
Adoption Tax Credit Limit	\$13,810	13,570	13,460	13,400
Modified Adjusted Gross Income Limits for Employer-Provided Adoption Assistance Program and Tax Credit				
Full credit if adjusted gross income below	\$207,140	203,540	201,920	201,010
Phased credit if adjusted gross income between	\$207,140 -247,140	203,540 - 243,540	201,920 - 241,920	201,010 - 241,010
No credit allowed for adjusted gross income above	\$247,140	243,540	241,920	241,010
Educational Assistance Programs				
Maximum nontaxable educational assistance benefit	\$5,250	5,250	5,250	5,250
Health Savings Accounts				
Contribution Limit per Individual	\$3,450	3,400	3,350	3,350
Contribution Limit per Family	\$6,850	6,750	6,750	6,650
Catch-up Contribution for Age 55 and Older	\$1,000	1,000	1,000	1,000
Out-of-pocket Maximum per Individual	\$6,650	6,550	6,550	6,450
Out-of-pocket Maximum per Family	\$13,300	13,100	13,100	12,900
Minimum Deductible per Individual	\$1,350	1,300	1,300	1,300
Minimum Deductible per Family	\$2,700	2,600	2,600	2,600
Highly Compensated Employee Compensation Exceeding	\$120,000	120,000	120,000	120,000
Key Employee Officer Compensation	\$175,000	175,000	170,000	170,000
Key Employee 1% Owner	\$150,000	150,000	150,000	150,000

¹ Credit may be adjusted based on the level of the taxpayer's adjusted gross income and is reduced by amounts excluded from income under a Dependent Care Reimbursement Account plan sponsored by an employer.

² An employer-sponsored Adoption Assistance Program may be a stand-alone program or contained in a Cafeteria Plan.

³ If employer-sponsored Adoption Assistance Program is contained in a Cafeteria Plan, this is the maximum limit within the plan year.



For more information, please visit www.tri-ad.com or call (800) 733-7555.