

# COLA 2019

## Retirement Cost-of-Living Adjustments

TRI-AD presents the *Cost-of-Living Adjustments* (COLAs) for 2019. These limits are provided each year by the Internal Revenue Service and become effective **January 1, 2019**.

### Maximum Dollar Limitations

| Employee Deferral Limits   | 2019        | 2018      | 2017      | 2016      | 2015      |
|--|-------------|-----------|-----------|-----------|-----------|
| 401(k) Contribution  | \$19,000    | 18,500    | 18,000    | 18,000    | 18,000    |
| 403(b) Contribution  | \$19,000    | 18,500    | 18,000    | 18,000    | 18,000    |
| 457 Contribution   | \$19,000    | 18,500    | 18,000    | 18,000    | 18,000    |
| SIMPLE 401(k)/IRA  | \$13,000    | 12,500    | 12,500    | 12,500    | 12,500    |
| Employee Catch-Up Limits   |             |           |           |           |           |
| 401(k), 403(b), 457  | \$6,000     | 6,000     | 6,000     | 6,000     | 6,000     |
| SIMPLE 401(k)/IRA  | \$3,000     | 3,000     | 3,000     | 3,000     | 3,000     |
| Other Plan Limitations   |             |           |           |           |           |
| Compensation Cap   | \$280,000   | 275,000   | 270,000   | 265,000   | 265,000   |
| Defined Benefit Plan Maximum Benefit   | \$225,000   | 220,000   | 215,000   | 210,000   | 210,000   |
| Defined Contribution Plan Maximum Contribution   | \$56,000    | 55,000    | 54,000    | 53,000    | 53,000    |
| Highly Compensated Employees' Compensation Exceeding   | \$125,000   | 120,000   | 120,000   | 120,000   | 120,000   |
| Key Employee Officer Compensation  | \$180,000   | 175,000   | 175,000   | 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       | 600       |
| ESOP Threshold for 5-Year Distribution Period  | \$1,130,000 | 1,105,000 | 1,080,000 | 1,070,000 | 1,070,000 |
| ESOP Incremental Threshold for Extending 5-Year Distribution Period (max 5 additional years) | \$225,000   | 220,000   | 215,000   | 210,000   | 210,000   |
| Social Security Taxable Wage Bases   |             |           |           |           |           |
| - Social Security  | \$132,900   | 128,400   | 127,200   | 118,500   | 118,500   |
| - 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.

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