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IRS announced cost of living adjustments affecting dollar limitations for pension plans and other retirement-related items for the 2018 tax year in its technical guidance [IRS Notice 2017-64](#). The chart below details some changes made to the limits which may be of interest.

Retirement Plan Limits		
	2018	2017
Deferral Limit	\$18,500	\$18,000
Catch-up Contribution Limits	\$6,000	\$6,000
Defined Contribution Annual Addition Limit	\$55,000	\$54,000
Annual Compensation Cap	\$275,000	\$270,000
Taxable Wage Base	\$128,400	\$127,200
Key Employee	\$175,000	\$175,000
Highly Compensated Employee Threshold	\$120,000	\$120,000
Maximum ESOP Account Balance	\$1,105,000	\$1,080,00
ESOP 5-year Distribution Period Limit	\$220,000	\$215,000

Contact your payroll provider to take advantage of the increased deferral and catch-up limits.