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THE ERISA LAW GROUP, P.A.

# ERISA 2014 Limits

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## Dollar Limitations for 2014

Various retirement plan limits are subject to annual cost-of-living and/or statutory adjustments. Some of the limits for 2014 have increased. The change in plan-related limits is also always a reminder that the end of the year is fast approaching. Often, December 31 is a date by which certain actions relative to plans must be taken.

Some of the more commonly applicable limits for 2014 are as follows:

Maximum Contribution to 401(k), Profit Sharing, and other Defined Contribution Plans. **\$52,000 for 2014** (increased from \$51,000).

Pre-Tax 401(k), 403(b), and 457(b) Employee Contribution Limit. **\$17,500 for 2014.** This limit is unchanged from 2013.

Age 50 Catch-up Contribution Limit. **\$5,500 for 2014.** This limit is unchanged from 2013.

Maximum Annual Recognized Compensation Limit. **\$260,000 for 2014** (increased from \$255,000). To limit retirement plan accumulations for high paid employees, as well as to increase contributions for non-high paid employees, retirement plans generally may only recognize compensation up to this limit.

Highly Compensated Employee Threshold. **\$115,000 for 2014** (unchanged from 2013). Under ERISA's nondiscrimination rules, the employee population is divided into two groups – the highly compensated employees and the nonhighly compensated employees. A highly compensated employee generally is an employee who owns more than 5% of the employer sponsoring the plan or whose compensation in the preceding year exceeds the dollar threshold.

Defined Benefit Plan Limit. **\$210,000 for 2014** (increased from \$205,000). In a defined benefit plan, the law limits the annual pension payable to the participant upon retirement (as opposed to limiting the annual additions going into a defined contribution plan). If you desire to possibly accumulate significant retirement benefits over and above the \$51,000 annual defined contribution limit, a defined benefit plan should be explored.

Social Security Taxable Wage Base. **\$117,000 for 2014** (increased from \$113,700). This figure affects the way in which employer contributions are allocated to participants under "integrated" plans.

For additional information or if you have questions, please contact Jeffery Mandell or John Hughes at 208-342-5522 or 866-ERISALAW.

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