

Key Benefit Plan Limits For 2015

The IRS recently released its 2015 employee benefits limitations for retirement plans. The following chart lists common limitations relevant for many employers:

	2015	2014	2013
401(k), 403(b), 457(b), Pension, etc.			
Annual Compensation	\$265,000	\$260,000	\$255,000
Elective Deferrals	18,000	17,500	17,500
Catch-up Contributions	6,000	5,500	5,500
Defined Contribution Limits	53,000	52,000	51,000
Defined Benefit Limits	210,000	210,000	205,000
HCE Threshold	120,000	115,000	115,000
Key Employee	170,000	170,000	165,000
ESOP Limits	1,070,000	1,050,000	1,035,000
	210,000	210,000	205,000
IRA			
IRA Contribution Limit	\$5,500	\$5,500	\$5,500
IRA Catch-up Contributions	\$1,000	1,000	1,000
IRA AGI Deduction: Phase-Out Starting at			
Joint Return	\$98,000	\$96,000	\$95,000
Single or Head of Household	61,000	60,000	59,000
SEP			
SEP Minimum Compensation	\$600	\$550	\$550
SEP Maximum Contribution	53,000	52,000	51,000
SEP Maximum Compensation	265,000	260,000	255,000
SIMPLE Plans			
SIMPLE Maximum Contributions	\$12,500	\$12,000	\$12,000
Catch-up Contributions	3,000	2,500	2,500
Other			
457 Elective Deferrals	\$18,000	\$17,500	\$17,500
Control Employee (board member or officer)	105,000	105,000	100,000
Control Employee (compensation-based)	215,000	210,000	205,000
Taxable Wage Base	118,500	117,000	113,700
Health Plans			
Out-of-Pocket Maximums (Self-Only)*±	\$6,600	\$6,350	N/A
Out-of-Pocket Maximums (Other than Self-Only)*±	13,200	12,700	N/A
Transitional Reinsurance Fee (per Covered Life)§	44	63	N/A
Health FSA Salary Reduction Cap#	2,550	2,500	2,500
Employer Shared Responsibility – 4980H(a) Failure to Offer Coverage□	2,080 (Est.)†	2,000	N/A
Employer Shared Responsibility – 4980H(b) Failure to Offer Affordable, Minimum Value Coverage□	3,120 (Est.)†	3,000	N/A

* These limits do not apply to grandfathered or retiree-only plans.

± These amounts are indexed to increase based on the average per capita premium for U.S. health insurance coverage from the prior calendar year.

§ These fees apply on a calendar year basis.

These fees apply on a plan year basis and are indexed for CPI-U.

□ These fees apply on a calendar year basis and are assessed monthly at 1/12 of the annual amount.

† The 2015 assessment amounts have not been released. These numbers are estimates only based on increase in average per capita premium for U.S. health insurance coverage in 2014 as determined by HHS.

In addition, the Affordable Care Act (ACA) imposes a fee to help fund the Patient Centered Outcomes Research Institute (PCORI). For plans with years ending on or before Sept. 30, 2014, the fee is \$2.00 per covered life. If the plan year ends between Oct. 1, 2014 and Dec. 31, 2014 (including calendar year plans), the fee is \$2.08 per covered life. These fee amounts are increased based on national health expenditures.

If you have any questions about the key benefit plan limits for 2015, please contact Mary Jo Larson, Amy Fredrickson, April Goff or any other member of the Warner Norcross & Judd LLP Employee Benefits/Executive Compensation Practice Group.