



Qualified Plans – Deduction Limit Changes Updated for 2014

MVP Plan Administrators, Inc. is pleased to announce the Pension Plan Limitations for 2014.

Elective Deferrals 402(g) for 401(k), 403(b) and 457 Plans - This limit is combined for Roth or Pre-tax deferral elections. The limit on elective deferrals (again a combined Roth or pre-tax) for participants in 401(k), 403(b) and 457 plans (excluding SIMPLE plans) has remained unchanged at **\$17,500**.

Catch-up contributions 414(v)(2)(B)(i) - A participant who is at least age 50 before the end of the calendar year may be eligible to make catch-up contributions. This amount is in addition to the Elective Deferrals and can be either a Roth or Pre-tax election. The catch-up remains unchanged at **\$5,500**.

Limitation for Defined Contribution Plans 415(c)(1)(A) – This limitation is a total aggregate contribution including elective deferral (Pretax or ROTH) contributions, employer contributions and forfeitures. This limit increased from \$51,000 to **\$52,000**.

The Annual Compensation Limit under Sections 401(a)(17), 404(l) – This is the maximum amount of earned income that may be considered for plan purposes. This limitation has increased from \$255,000 to **\$260,000**.

Social Security Taxable Wage Base – This is the dollar limitation that social security tax is paid. This wage amount is also used in the formula for permitted disparity (integrated) plans and has increased from \$113,700 to **\$117,000**.

The Limitation used to define a Highly Compensated Employee under Section 414(q)(1)(B) – This is the dollar limit for determining which participants will be Highly Compensated Employees. This limitation remains unchanged at **\$115,000**.

The Limitation used to define Key Employee under Section 416(i)(1)(A)(i) – This is the dollar limit used for determining which participants will be considered a Key Employee for a top heavy plan. This limit increased from \$165,000 to **\$170,000**.

Please feel free to contact us with any questions you may have. Thanks!