

GET TO KNOW BDO – EXECUTIVE AND HR SERVICES

EBP COMMENTATOR

THE NEWSLETTER OF THE BDO EMPLOYEE BENEFIT PLAN AUDIT PRACTICE

SPECIAL EDITION

2018 COST-OF-LIVING ADJUSTMENTS FOR QUALIFIED RETIREMENT PLANS

The 2018 cost-of-living adjustment (COLA) was announced by the Internal Revenue Service. The table below includes dollar limitation amounts for pension plans and other selected amounts, including the Social Security Administration's separately announced taxable wage base. The majority of the dollar limits will experience minor increases for 2018, including the elective deferral limit which previously had not been updated since 2015.

Code Section	2018	2017	2016	2015	2014
401(a)(17)/404(l) Annual Compensation	\$275,000	\$270,000	\$265,000	\$265,000	\$260,000
402(g)(1) Elective Deferrals	18,500	18,000	18,000	18,000	17,500
408(k)(2)(C) SEP Minimum Compensation	600	600	600	600	550
408(k)(3)(C) SEP Maximum Compensation	275,000	270,000	265,000	265,000	260,000
408(p)(2)(E) SIMPLE Maximum Contributions	12,500	12,500	12,500	12,500	12,000
409(o)(1)(C)(ii) ESOP Limits	1,105,000 220,000	1,080,000 215,000	1,070,000 210,000	1,070,000 210,000	1,050,000 210,000
414(q)(1)(B) HCE Threshold	120,000	120,000	120,000	120,000	115,000
414(v)(2)(B)(i) Catch-up Contributions	6,000	6,000	6,000	6,000	5,500
414(v)(2)(B)(ii) Catch-up Contributions	3,000	3,000	3,000	3,000	2,500
415(b)(1)(A) DB Limits	220,000	215,000	210,000	210,000	210,000
415(c)(1)(A) DC Limits	55,000	54,000	53,000	53,000	52,000
416(i)(1)(A)(i) Key Employee	175,000	175,000	170,000	170,000	170,000
457(e)(15) Deferral Limits	18,500	18,000	18,000	18,000	17,500
1.61-21(f)(5)(i) Control Employee	110,000	105,000	105,000	105,000	105,000
1.61-21(f)(5)(iii) Control Employee	220,000	215,000	215,000	215,000	210,000
219(b)(5)(A) IRA Contribution Limit	5,500	5,500	5,500	5,500	5,500
219(b)(5)(B) IRA Catch-Up Contributions	1,000	1,000	1,000	1,000	1,000
Taxable Wage Base for Social Security	128,700	127,200	118,500	118,500	117,000

BDO EBP PRACTICE

Nationally recognized in the field of employee benefit plan consulting and auditing, BDO audits approximately 2,000 plans in a range of sizes (from smaller participant plans with under 100 participants to plans with over 400,000 participants). Our plan audit engagements are staffed with accountants experienced with all types of audits including defined contribution (401(k), profit sharing, ESOP and 403(b) plans), defined benefit (pension equity or cash balance) and health and welfare plans (defined benefit or defined contribution). We have extensive ERISA knowledge of audit and filing requirements, including full-scope, limited-scope, SEC Form 11-K filings and Master Trusts. Our plan audits are delivered through a streamlined process, tailored individually to the benefit plan and the plan sponsor.

Our professionals are actively involved at the local, state and national levels with many serving in leadership roles in the accounting profession as senior advisors and as active members of several governing boards and CPA societies. For example, our professionals currently serve on various AICPA committees, such as the AICPA's Employee Benefit Plan Audit Quality Center Executive Committee, the Employee Benefit Plan Expert Panel, the Technical Standards Subcommittee of the Professional Ethics Executive Committee, Employee Benefit Plan Tax Technical Resource Panel and the Health Reform Task Force. We are extensively involved with the AICPA National Conferences on Employee Benefit Plans.

ABOUT BDO USA

BDO is the brand name for BDO USA, LLP, a U.S. professional services firm providing assurance, tax, and advisory services to a wide range of publicly traded and privately held companies. For more than 100 years, BDO has provided quality service through the active involvement of experienced and committed professionals. The firm serves clients through more than 60 offices and over 550 independent alliance firm locations nationwide. As an independent Member Firm of BDO International Limited, BDO serves multi-national clients through a global network of 67,700 people working out of 1,400 offices across 158 countries.

BDO USA, LLP, a Delaware limited liability partnership, is the U.S. member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms. BDO is the brand name for the BDO network and for each of the BDO Member Firms. For more information please visit: www.bdo.com.

Material discussed is meant to provide general information and should not be acted on without professional advice tailored to your firm's individual needs. © 2017 BDO USA, LLP. All rights reserved.

BDO EBP PRACTICE

For more information on BDO's service offerings for EBPs, please contact a member of our practice leadership:

BETH LEE GARNER

National Practice Leader
404-979-7143 / bgarner@bdo.com

DARLENE BAYARDO

National Assurance
714-913-2619 / dbayardo@bdo.com

MARY ESPINOSA

West EBP Regional Leader
Orange County
714-668-7365 / mespinosa@bdo.com

JODY HILLENBRAND

Southwest EBP Regional Leader
San Antonio
210-424-7524 / jhillenbrand@bdo.com

LUANNE MacNICOL

Central EBP Regional Leader
Grand Rapids
616-802-3364 / lmacnicol@bdo.com

WENDY SCHMITZ

Atlantic EBP Regional Leader
Carolinas
704-887-4254 / wschmitz@bdo.com

JOANNE SZUPKA

Northeast EBP Regional Leader
Philadelphia
215-636-5591 / jszupka@bdo.com

JAM YAP

Southeast EBP Regional Leader
Atlanta
404-979-7205 / jtyap@bdo.com

For previously issued *EBP Commentator* newsletters or special editions, please visit bit.ly/EBPInsights.

For questions or to suggest topics for future editions, please contact [Darlene Bayardo](#) or [Chelsea Smith Brantley](#).