

GET TO KNOW BDO – EXECUTIVE AND HR SERVICES

# EBP COMMENTATOR

THE NEWSLETTER OF THE BDO EMPLOYEE BENEFIT PLAN AUDIT PRACTICE

SPECIAL EDITION

## 2016 COST-OF-LIVING ADJUSTMENTS FOR QUALIFIED RETIREMENT PLANS

*The Internal Revenue Service announced that there would be no cost-of-living adjustment (COLA) in 2016 based on findings from the Bureau of Labor Statistics that there was no increase in the third quarter Consumer Price Index for Urban Wage Earners and Clerical Workers over the prior year. Current law therefore permits no COLA increase and, accordingly, there will be no adjustment to the dollar limitations for pension plans and other items for 2016.*

Code Section	2016	2015	2014	2013	2012
401(a)(17)/404(l) Annual Compensation	\$265,000	\$265,000	\$260,000	\$255,000	\$250,000
402(g)(1) Elective Deferrals	18,000	18,000	17,500	17,500	17,000
408(k)(2)(C) SEP Minimum Compensation	600	600	550	550	550
408(k)(3)(C) SEP Maximum Compensation	265,000	265,000	260,000	255,000	250,000
408(p)(2)(E) SIMPLE Maximum Contributions	12,500	12,500	12,000	12,000	11,500
409(o)(1)(C) ESOP Limits	1,070,000 210,000	1,070,000 210,000	1,050,000 210,000	1,035,000 205,000	1,015,000 200,000
414(q)(1)(B) HCE Threshold	120,000	120,000	115,000	115,000	115,000
414(v)(2)(B)(i) Catch-up Contributions	6,000	6,000	5,500	5,500	5,500
414(v)(2)(B)(ii) Catch-up Contributions	3,000	3,000	2,500	2,500	2,500
415(b)(1)(A) DB Limits	210,000	210,000	210,000	205,000	200,000
415(c)(1)(A) DC Limits	53,000	53,000	52,000	51,000	50,000
416(i)(1)(A)(i) Key Employee	170,000	170,000	170,000	165,000	165,000
457(e)(15) Deferral Limits	18,000	18,000	17,500	17,500	17,000
1.61-21(f)(5)(i) Control Employee	105,000	105,000	105,000	100,000	100,000
1.61-21(f)(5)(iii) Control Employee	215,000	215,000	210,000	205,000	205,000
219(b)(5)(A) IRA Contribution Limit	5,500	5,500	5,500	5,500	5,000
219(b)(5)(B) IRA Catch-Up Contributions	1,000	1,000	1,000	1,000	1,000
Taxable Wage Base for Social Security	118,500	118,500	117,000	113,700	110,100

### BDO EBP PRACTICE

Nationally recognized in the field of employee benefit plan consulting and auditing, BDO audits over 1,600 plans ranging in size from 100 to close to 400,000 participants. Our 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 T1-K filings and Master Trusts.

BDO's National Employee Benefit Plan Audit Group meets regularly to develop training and guidance and discuss updates in the industry and auditing practices. Our professionals are regular presenters at local, state and national seminars. We continue to be extensively involved with the American Institute of Certified Public Accountants (AICPA) National Conferences on Employee Benefit Plans. Many of our professionals serve in leadership roles in the accounting profession as senior advisors and are active members of several governing boards and CPA societies. For example, our professionals currently serve on various AICPA committees, such as the AICPA's Joint 403(b) Plan Audit Task Force (we are proud to have had representation at the chair level for this committee) and the AICPA Technical Standards Subcommittee of the Professional Ethics Executive Committee. BDO's EBP professionals have also served on the AICPA Employee Benefit Plan Audit Quality Center Executive Committee (immediate past chair) and the Employee Benefit Plan Expert Panel.

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### WEBINAR SERIES

#### FIDUCIARY GRIDIRON: HOW TO SUCCEED ON THE FIELD

Join us for **Push for the Playoffs**, the latest installment in BDO's continuing Fiduciary Gridiron – How to Succeed on the Field webinar series for plan management. This session will address the fiduciary's responsibility to oversee plan assets, and the discussion of practical tips on keeping score of fees and expenses.

**When:** November 12, 2015 at 12:30 PM EST.

#### REGISTER TODAY!

**Missed the first two installments?** Listen to the recordings.

**Part One – Selecting Your Retirement Plan Team** (May 2015) Answers "Who is a fiduciary?" and covers the different types of service providers available to fiduciaries.

**Part Two – Kicking Off the Season** (August 2015) Discusses Investment Policy Statements, latest trends in plan design, and monitoring of plans by the Department of Labor and the Internal Revenue Service.

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### BDO Knows Executive HR Services

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