



## EMPLOYEE BENEFITS UPDATE

### IRS Announces 2015 Dollar Limits on Compensation and Benefits *Revised as of October 31, 2014*

The Internal Revenue Service announced cost-of-living adjustments affecting the dollar limitations that will apply in 2015 for employee benefit plans. There are modest increases in many (but not all) of these limits. The table below highlights the key limits that will apply for 2015, as well as the limits that continue to be in place for the remainder of 2014. Please contact us if you have any questions about how these limits will apply to your benefit plans.

Dollar Limits on Compensation and Benefits			
Code Section	Limit	2015	2014
<b>Elective Deferral Contributions</b>			
§402(g)(1)(B)	401(k) and 403(b) Plans	\$18,000	\$17,500
§457(e)(15)(A)	457(b) Plans	\$18,000	\$17,500
§414(v)(2)(B)(i)	Age 50+ "Catch-Up" Contributions for 401(k)/403(b) Plans	\$6,000	\$5,500
<b>Limits for Highly Compensated Employees</b>			
§401(a)(17)(A)	Annual Compensation Includable in Plan	\$265,000	\$260,000
§414(q)(1)(B)(i)	Who is a "Highly Compensated Employee"	\$120,000	\$115,000
§416(i)(1)(A)(i)	Who is a "Key Employee/Officer"	\$170,000	\$170,000
<b>Annual Benefit Limits</b>			
§415(b)(1)(A)	Defined Benefit Pension Plans	\$210,000	\$210,000
§415(c)(1)(A)	Defined Contribution Retirement Plans	\$53,000	\$52,000
<b>Health FSA and HSA Annual Contribution Limits</b>			
§125(i)	Health FSA Employee Salary-Reduction Contributions	\$2,550	\$2,500
§223(b)(2)(A)	HSA Contributions for Individual Coverage	\$3,350	\$3,300
§223(b)(2)(B)	HSA Contributions for Family Coverage	\$6,650	\$6,550
<b>Social Security Tax Wage Base</b>			
		\$118,500	\$117,000

ISLER DARE, P.C.  
1945 Old Gallows Road, Suite 650  
Vienna, Virginia 22182  
703-748-2690

Andrea I. O'Brien  
[aobrien@islerdare.com](mailto:aobrien@islerdare.com)

Glenn D. Gunnels  
[ggunnels@islerdare.com](mailto:ggunnels@islerdare.com)

Vi D. Nguyen  
[vnguyen@islerdare.com](mailto:vnguyen@islerdare.com)