

# Employee Benefits & Executive Compensation



## Annual Limitations

Effective as of January 1, 2019

LIMIT	2019		2018		2017	
<b>Elective Deferrals</b> IRC Section: 402(g)(1); 457(e)(15); 408(p)(2)(E) 401(k), 403(b), 457(b), and SEPs SIMPLE Plans	\$19,000	\$13,000	\$18,500	\$12,500	\$18,000	\$12,500
<b>Catch-up Contributions (age 50 and older)</b> IRC Section: 414(v)(2)(B)(i) & (ii) 401(k), 403(b), Governmental 457(b), and SEPs SIMPLE Plans	\$6,000	\$3,000	\$6,000	\$3,000	\$6,000	\$3,000
<b>Annual Compensation Limit</b> IRC Section: 401(a)(17); 404(l) General Limit Certain Governmental Plans	\$280,000	\$415,000	\$275,000	\$405,000	\$270,000	\$400,000
<b>Limitations on Benefits and Contributions</b> IRC Section: 415(b)(1)(A); 415(c)(1)(A) Defined Contribution Plans Defined Benefit Plans	\$56,000	\$225,000	\$55,000	\$220,000	\$54,000	\$215,000
<b>“Highly Compensated Employee” Definition</b> IRC Section: 414(q)(1)(B)	\$125,000		\$120,000		\$120,000	
<b>“Key Employee” / “Officer” Definition for Top-Heavy Plans</b> IRC Section: 416(i)(1)(A)(i)	\$180,000		\$175,000		\$175,000	
<b>PBGC Guaranteed Annual Benefit (single life annuity payable at age 65; rounded)</b>	\$67,295		\$65,045		\$64,432	
<b>SEP Coverage</b> IRC Section: 408(k)(2)(C); 408(k)(3)(C) Minimum Compensation Maximum Compensation	\$600	\$280,000	\$600	\$275,000	\$600	\$270,000
<b>Health Savings Accounts (HSAs)</b> Maximum Annual Contributions Minimum Deductible Maximum Out-of-Pocket	Single \$3,500 \$1,350 \$6,750	Family \$7,000 \$2,700 \$13,500	Single \$3,450 \$1,350 \$6,650	Family \$6,900* \$2,700 \$13,300	Single \$3,400 \$1,300 \$6,550	Family \$6,750 \$2,600 \$13,100
<b>Qualified Small Employer Health Reimbursement Arrangements (QSEHRAs)</b> Maximum Annual Reimbursements	Single \$5,150	Family \$10,450	Single \$5,050	Family \$10,250	Single \$4,950	Family \$10,050
<b>Health Care Flexible Spending Account Maximum Salary Reduction Contributions</b>	\$2,700 per employee per unrelated employer**		\$2,650 per employee per unrelated employer**		\$2,600 per employee per unrelated employer**	
<b>Dependent Care Assistance Maximum</b>	\$5,000 \$2,500 (married filing separately)		\$5,000 \$2,500 (married filing separately)		\$5,000 \$2,500 (married filing separately)	

LIMIT	2019	2018	2017
<b>Qualified Transportation Fringe (Monthly)</b>			
Parking	\$265	\$260	\$255
Mass Transit Pass/Vanpool	\$265	\$260	\$255
<b>Adoption Assistance Programs</b>			
Maximum Exclusion per Child	\$14,080	\$13,810***	\$13,570
Phase-Out Floor	\$211,160	\$207,140***	\$203,540
Phase-Out Ceiling	\$251,160	\$247,140***	\$243,540
<b>Long-Term Care Deductible Premiums</b>			
Age 40 and younger	\$420	\$420	\$410
Age 41 to 50	\$790	\$780	\$770
Age 51 to 60	\$1,580	\$1,560	\$1,530
Age 61 to 70	\$4,220	\$4,160	\$4,090
Over age 70	\$5,270	\$5,200	\$5,110
<b>Total FICA Tax (Combined OASDI and HI Portions)</b>			
Employers	7.65%	7.65%	7.65%
Employees	7.65%****	7.65%****	7.65%****
<b>FICA Taxes (HI Portion)</b>			
Employees and Employers, each	1.45%****	1.45%****	1.45%****
Wage Base	All Wages	All Wages	All Wages
<b>Social Security Tax (OASDI Portion)</b>			
Employers	6.2%	6.2%	6.2%
Employees	6.2%	6.2%	6.2%
Wage Base	\$132,900	\$128,400	\$127,200

\*Pursuant to IRS Revenue Procedure 2018-27, taxpayers may treat \$6,900 as the maximum deductible HSA contribution for individuals with family coverage under an HDHP for 2018, despite previous IRS guidance reducing such limit to \$6,850 to reflect cost-of-living adjustment methods enacted as part of the Tax Cuts and Jobs Act of 2017.

\*\*Plan sponsors may design their plans to allow participants to carry over up to \$500 of unused amounts for reimbursement of qualified medical expenses incurred during the following plan year. A plan may not simultaneously include this carryover rule and the grace period rule, under which reimbursements may continue to be made for expenses incurred within the first 2 ½ months after the close of the plan year. See IRS Notice 2013-71 for further details.

\*\*\*Certain amounts pertaining to adoption assistance programs were revised by the IRS on March 5, 2018 to reflect new cost-of-living adjustment methods enacted as part of the Tax Cuts and Jobs Act of 2017.

\*\*\*\*Higher-income employees will be subject to an additional 0.9% Medicare tax on wages in excess of threshold amounts based on filing status as listed in the table below. Employers are required to withhold the 0.9% Medicare tax on wages paid to an employee in excess of \$200,000 in 2019 without regard to filing status.

FILING STATUS	THRESHOLD AMOUNT
Married filing jointly	\$250,000
Married filing separately	\$125,000
Single; Head of Household (with qualifying person); or Qualifying widow(er) with dependent child	\$200,000

For more information on the application of these limitations, please contact any of the following members of our Benefits practice:

Maureen J. Gorman, Partner  
mgorman@mayerbrown.com

Anna M. O'Meara, Partner  
aomeara@mayerbrown.com

Rebecca C. Davenport, Counsel  
rdavenport@mayerbrown.com

Cecilia A. Roth, Counsel  
croth@mayerbrown.com

Debra B. Hoffman, Partner  
dhoffman@mayerbrown.com

Stephanie B. Vasconcellos, Partner  
svasconcellos@mayerbrown.com

Katherine H. Dean, Counsel  
kdean@mayerbrown.com

James E. Crossen, Associate  
jcrossen@mayerbrown.com

Ryan J. Liebl, Partner  
rlielbl@mayerbrown.com

James C. Williams, Partner  
jcwilliams@mayerbrown.com

Karen F. Grotberg, Counsel  
kgrotberg@mayerbrown.com

Rashida J. Stevens, Associate  
rstevens@mayerbrown.com

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