

# One Minute Memo<sup>®</sup>



## IRS Announces 2013 Inflation-Adjusted Benefit Limits

The Internal Revenue Service has announced cost-of-living adjustments applicable to dollar limitations for retirement plans and other benefits for 2013.

	2012 Limits	2013 Limits
<b>401(k)/403(b) Contributions<sup>1</sup></b>	\$17,000	\$17,500
<b>457(b) Limit<sup>1</sup></b>	\$17,000	\$17,500
<b>Catch-up Contributions<sup>1</sup></b>	\$5,500	\$5,500
<b>Compensation Limit<sup>2</sup></b>	\$250,000	\$255,000
<b>Highly Compensated Employees<sup>3</sup></b>	\$115,000	\$115,000
<b>Key Employee Officer Compensation<sup>2</sup></b>	\$165,000	\$165,000
<b>Maximum Annual Benefit</b> Defined Benefit Plan <sup>4</sup>	\$200,000	\$205,000
<b>Maximum Annual Contribution</b> Defined Contribution Plan <sup>4</sup>	\$50,000	\$51,000
ESOP Limits	\$200,000	\$205,000
Dollar limit for determining lengthening of 5-year period <sup>4</sup>		
<b>Dollar amount for determining max. amount subject to 5-year distribution<sup>4</sup></b>	\$1,015,000	\$1,035,000
<b>Maximum SIMPLE contribution</b>	\$11,500	\$12,000
<b>FICA Wage Base<sup>5</sup></b>	\$110,100	\$113,700
<b>Health Savings Accounts</b>		
High deductible health plan (HDHP) – minimum annual deductible		
Individual coverage	\$1,200	\$1,250
Family coverage	\$2,400	\$2,500
<b>HDHP – maximum out-of-pocket limit</b>		
Individual coverage	\$6,050	\$6,250
Family coverage	\$12,100	\$12,500
<b>HSA contribution</b>		
Self-only coverage limit	\$3,100	\$3,250
Family coverage limit	\$6,250	\$6,450
<b>Catch-up contributions (age 55 or older)</b>	\$1,000	\$1,000
<small>1. Calendar year limitation                  2. For plan years beginning in the calendar year.                  3. For compensation received that year for current year testing, or in the look-back year for prior year testing (i.e., the \$115,000 limit will apply when 2012 or 2013 is the look-back year).                  4. Applicable for the calendar year and limitation years that end within such calendar year.                  5. Calendar year limitation for FICA withholding purposes and for plan years beginning in the calendar year for retirement plan purposes.</small>		

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