

IRS News Release

Media Relations Office
www.IRS.gov/newsroom

Washington, D.C.

Media Contact: 202.317.4000
Public Contact: 800.829.1040

IRS Announces 2018 Pension Plan Limitations Not Affected by Tax Cut and Jobs Act of 2017

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WASHINGTON — The Internal Revenue Service today announced that the Tax Cut and Jobs Act of 2017 does not affect the tax year 2018 dollar limitations for retirement plans announced in [IR-2017-177](#) and detailed in [Notice 2017-64](#).

The tax law provides dollar limitations on benefits and contributions under qualified retirement plans, and it requires the Treasury Department to annually adjust these limits for cost-of-living increases. Those adjustments are to be made using procedures that are similar to those used to adjust benefit amounts under the Social Security Act.

As the recently enacted tax legislation made no changes to the section of the tax law limiting benefits and contributions for retirement plans, the qualified retirement plan limitations for tax year 2018 previously [announced](#) in the news release and [detailed](#) in guidance remain unchanged.

The tax law also specifies that contribution limits for IRAs, as well as the income thresholds related to IRAs and the saver's credit, are to be adjusted for changes in the cost of living using procedures that are used to make cost-of-living adjustments that apply to many of the basic income tax parameters.

Although the new law made changes to how these cost of living adjustments are made, after taking the applicable rounding rules into account, the amounts for 2018 in the [news release](#) and the [guidance](#) remain unchanged.