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## IRS Announces 2013 Pension Contribution & Benefit Limits

Written by Mark Amadeo

A few days ago the Internal Revenue Service (IRS) announced cost-of-living adjustments to limits for retirement and 401(k) plans that are in effect for 2013. The IRS' October 18, 2012 release highlights the following plan limits:

### ***401(k), 403(b), 457 and Federal TSP Plan - Employee Contributions***

- The contribution limit increases from \$17,000 to \$17,500

### ***401(k), 403(b), 457 and Federal TSP Plan - Employees Aged 50 + Catch-Up Contributions***

- The contribution limit remains unchanged at \$5,500

### ***Defined Benefit Plan Annual Benefits***

- Effective January 1, 2013, the Section 415 annual benefit limit for defined benefit plans increases from \$200,000 to \$205,000

### ***Defined Contribution Plan Annual Benefits***

- The Section 415 annual benefit limit for defined contribution plans increases from \$50,000 to \$51,000

### ***Annual Employee Compensation Limit***

- The annual compensation limit under Section 401(a)(17) increases from \$250,000 to \$255,000

### ***Highly Compensated Employee Definition***

- The limit used to define a highly compensated employee under Section 414 remains unchanged at \$115,000

### ***Key Employee Definition***

- The limit used to define a key employee in a top-heavy plan remains unchanged at \$165,000

To see the IRS' release go [here](#).

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