

Dear Valued Client,

The IRS has recently announced the 2019 Maximum Allowable Contribution (MAC) limits for 403(b) and 457 plans. Elective contribution limits have increased from their 2018 levels.

The elective deferral limit for 403(b)/457 plans will now stand at \$19,000. Employees age 50 and over will be entitled to contribute an additional \$6,000 to their 403(b) or 457 plan(s) thereby increasing the elective deferral limit to \$25,000. Individuals with at least 15 years of service with their current employer may be entitled to contribute up to an additional \$3,000 above their age-based limit, potentially increasing the limit to \$28,000 for a participant utilizing both the age based and the full amount of the service based catch-up provisions.

If you expect to make or receive a non-elective/employer contribution in 2019, please note that the 415(c) limit has increased from \$55,000 to \$56,000, permitting employers to contribute up to \$56,000 to an employee's 403(b) plan. Recipients of non-elective contributions that are age 50 and up will retain the opportunity to utilize the age based catch-up beyond the 415(c) limitation, allowing for a "combined maximum" of \$62,000 in 2019. Please note that the amount of non-elective employer contributions is reduced by employee elective deferrals.

If you have any questions concerning contribution limits, or any other 403(b)/457 matter, please contact OMNI at 877-544-6664.

Regards,  
The OMNI Group