# 2015
## CBIZ MHM Business Tax Planning Supplement

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The year 2014 was one of waiting and wondering. Would the more than 50 tax breaks that expired at the end of 2013 be extended; if so, would they be permanent or would Congress just kick the decision down the road one more year? When would the final regulations be released regarding the tax accounting for tangible property? What other federal tax developments would materialize?

We now have some of the answers to help close the books on 2014 and plan for 2015. Final regulations for tangible property dispositions were released in August. New guidance on reporting under the Affordable Care Act has been issued. U.S. persons with foreign assets have the IRS's attention and new regulations are in place to ensure proper reporting of income. And Congress did renew the extenders, but only through December 31, 2014, making planning for 2015 still a bit difficult.

As a companion to our book on business tax planning, *Navigating the Business Lifecycle: Tax Strategies for Success*, this supplement recaps some of the key federal tax developments in 2014, discusses important changes for 2015 and provides some important rates, figures and thresholds to help you in your tax planning.

We hope that you will find this information useful as you plan for the coming year. Remember to refer back *to Navigating the Business Lifecycle: Tax Strategies for Success* for tax planning ideas that may be implemented throughout the year. To order a complimentary copy of our book contact your local CBIZ MHM tax professional or order it directly from our website.



# EXTENDERS – REINSTATED, BUT ONLY THROUGH 2014

In mid-December, Congress passed the Tax Increase Prevention Act of 2014 ("Extenders Act"), retroactively reinstating many tax breaks that expired at the end of 2013, but only extending those provisions through 2014. After a year filled with discussions about corporate tax reform and the permanent extension of popular provisions such as the research tax credit, to walk away with only a one-year extension of the expired provisions exacerbates the uncertainty around 2015 tax planning. The 114th Congress is vowing to address these extenders during 2015, and perhaps they will without the midterm election to distract them, or perhaps the discussion will get bogged down again by comprehensive tax reform.

Some of the provisions intended to stimulate the economy, many related to accelerated depreciation, may not be extended past 2014 if enough legislators feel the provisions do not provide appropriate economic stimulation to justify the cost. Others, like the popular research tax credit, may be extended; however, the timing of legislation may significantly impact the ability to benefit from the credit.

Below is a brief explanation of the most popular business extenders that expired at the end of 2014 (not an all-inclusive list).

**Research Tax Credit** – The research and experimentation tax credit is designed to encourage domestic research and experimentation by providing a tax credit for amounts incurred for qualified research expenses. Many taxpayers proceeded with research activities in 2014 assuming that the credit would be reinstated, but the failure of Congress to permanently extend the credit means that businesses once again face uncertainty about the credit's future as they plan their long-term research activities.

**Enhanced Section 179 Expensing Election** – Section 179 expensing allows businesses with taxable income to immediately deduct, rather than gradually depreciate, the cost of qualified assets, subject to some limitations. In recent years, the expensing election has been increased in an effort to spur investment in capital equipment. For 2014 tax years, the extender legislation allows for up to $500,000 of qualified purchases to be deducted immediately, subject to an overall investment limitation of $2 million. As it stands now for 2015, the deduction limit is only $25,000 with an investment limitation of $200,000. It is unclear whether or not the enhanced Section 179 expensing election has actually increased investment and expansion. As a result, while there is broad support for a Section 179 election greater than $25,000, opinions are mixed on whether to permanently extend the $500,000 election.

**50 Percent Bonus Depreciation** – As another incentive to increase investment and expansion, taxpayers since 2008 have been able to claim additional first-year depreciation of 50 percent on qualifying asset purchases such as new tangible personal property, off-the-shelf computer software and qualified leasehold improvements. Qualified restaurant or retail property does not qualify for bonus depreciation unless the property also meets the definition of qualified leasehold improvements. The Extenders Act also reinstated the corresponding election to accelerate alternative minimum tax (AMT) credits in lieu of claiming bonus depreciation. However, these provisions expired December 31, 2014, and the outlook for their future is uncertain.

**Qualified Leasehold/Retail Improvements, Restaurant Property** – Accelerated depreciation, allowing for a 15-year straight-line period instead of a 39-year period, was extended for qualified leasehold, restaurant or retail property improvements placed in service before January 1, 2015. Improvements must have been made to the interior of non-residential real property more than three years after the building was placed in service. Qualifying restaurant and retail improvements can include improvements to owner-occupied or leased space while qualifying leasehold improvements only include leased space (related party leases do not qualify). The Extenders Act also allows up to $250,000 of this property to be deducted under the enhanced Section 179 expensing election discussed above. Again, the fate of these provisions going forward is uncertain.

**Work Opportunity Tax Credit (WOTC)** – By hiring veterans, public assistance recipients, those with previous felony convictions and others from certain hard-to-employ groups, employers are eligible to claim the WOTC. The credit generally is 40 percent of the qualified worker's first-year wages (up to $6,000), for a maximum credit of $2,400 per qualified employee (higher credits available for qualified veterans). This provision

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expired December 31, 2014.The credit has been around for many years, however, and has a good chance to be extended in some version.

**5-Year Recognition Period for Built-in Gains of S Corporations** – The tax on built-in gains (BIG) is a corporate-level tax on S corporations that dispose of assets that were appreciated in value at the time the corporation elected S status. If any BIG assets are sold within the recognition window, the S corporation pays tax on the net recognized BIG at the highest corporate tax rate and the total gain recognized (net of the tax on the recognized BIG) is also taxed at the shareholder level. To facilitate sales of businesses, the recognition window had decreased in recent years, most recently to 5 years. The recognition window reverted to 10 years beginning in 2015.

**100 Percent Exclusion of Gain from the Sale of Qualified Small Business Stock** – As an additional avenue to encourage investments, non-corporate investors can exclude a portion of any gain from the sale or exchange of qualified small business stock held for more than 5 years. For stock acquired between September 28, 2010, and December 31, 2014, 100 percent of the gain has been excludable. Beginning January 1, 2015, the portion excludable is 50 percent.

Other expired business tax provisions that were retroactively extended through 2014, but whose future is uncertain, include, but are not limited to the:

- New markets tax credit;
- Basis adjustment to stock of S corporations making charitable contributions of appreciated property;
- Subpart F exception for active financing income;
- Enhanced charitable deduction for contributions of food inventory;
- Energy-efficient commercial buildings deduction; and
- Several other energy incentives.

### Employer Shared Responsibility Payment Begins in 2015

The time has arrived, after several years of discussing it, for the employer shared responsibility provisions of the ACA to kick in. With the new Republican-controlled Congress, several legislators have made reference to an attempt to overthrow the whole plan. However, in the meantime, employers (public and private) must be aware of their responsibilities to provide adequate and affordable health coverage to the requisite percentage of their full-time employees and the consequences if they do not.

Employers with 100 or more full-time (or full-time equivalent) employees are subject to the employer shared responsibility requirement beginning in 2015. To avoid the payment, affected employers must offer minimum essential coverage with minimum value at an affordable rate to 70 percent or more of their full-time employees (defined as those who work at least 30 hours per week). The 70 percent threshold increases to 95 percent beginning in 2016.

Employers with between 50 and 99 full-time employees generally will not be subject to the requirement until 2016 (with the 95 percent threshold). Note, however, that any employer that manipulated its health plan year end, eliminated or materially reduced any health care coverage, or reduced its workforce size or employees' overall hours of service, between February 9, 2014, and December 31, 2014, may not qualify for this relief. Employers with less than 50 full-time employees are not subject to the employer shared responsibility provision.

For purposes of the 50 or 100 full-time employee thresholds above, the number of employees is determined by using the average number of employees on business days during the preceding calendar year. An employer must also include a number of full-time equivalent employees, determined by dividing the aggregate number of hours of service of employees who are not full-time employees for the month, by 120. It is important for employers on the cusp of 50 or 100 employees to make the calculation as soon as possible to determine their responsibilities. The concept of full-time employee equivalents is only used to determine whether an employer meets the size threshold, and not for any other calculation relating to the penalty.

For purposes of these rules, coverage is deemed to meet the minimum value if it covers a minimum of 60% of the total allowed cost of benefits expected to be incurred under the plan. Generally, minimum essential coverage includes the type of coverage available under most insured and self-funded employer-sponsored group health plans. Coverage is provided at an affordable rate if no employee contribution, including salary reduction amounts, exceeds 9.56 percent (for 2015) of his or her household income, currently based on the cost of single coverage. Household income for these purposes means the modified adjusted gross income of the employee and any members of the employee's family (which would include any spouse and dependents) who are required to file a federal income tax return.

Dependent coverage is required beginning in 2015, but transition relief is available to give employers time to modify their plans. Employers that take steps during the 2015 plan year toward satisfying the dependent coverage requirement will not be liable for the shared responsibility payment solely on account of a failure to offer dependent coverage in 2015. Dependent, in this case, includes the employee's son, daughter, stepchild or foster child up to their 26th birthday, but does not include the employee's spouse.

If an employer fails to offer minimum essential health coverage to at least 95% (70% for 2015) of its full-time employees (plus their dependents beginning in 2016) for any calendar month, and employs at least one "credit employee" (one who works at least 30 hours per week and who is eligible for a premium tax credit or cost sharing assistance for buying insurance through an exchange), the excise tax penalty is calculated monthly as the number of full-time employees minus the first 30 (80 in 2015) multiplied by $166.67 (equivalent of $2,000 per year).

If the employer offers health coverage to at least 95% of its full-time employees and employs at least one credit employee (as defined above) and such coverage fails to meet a minimum value standard or is unaffordable, then the monthly penalty is the lesser of:

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- Number of credit employees multiplied by $250 (equivalent of $3,000 per year), or
- Number of full-time employees minus the first 30 multiplied by $166.67 (equivalent of $2,000 per year).

The maximum shared responsibility payments are indexed for inflation (values for 2015 have not been released as of the date of this publication). The IRS will determine whether an employer is subject to assessable payments based on individual employee tax returns and information reported by the employer and insurers for the tax year. The IRS will contact employers to inform them of their potential liability and provide them an opportunity to respond before any liability is assessed.

### Mandatory Reporting for 2015 Calendar Year

The ACA imposes new reporting requirements on employers subject to the employer shared responsibility payment beginning with the 2015 calendar year (due in 2016).The information on the reports will be used to help the government discern who might be entitled to premium assistance, as well as discern which employers may be subject to the employer shared responsibility excise tax.

Employers that are not subject to the employer shared responsibility payment in 2015 because of the transition rules, *i.e.* employers with between 50 and 99 full-time employees, are still subject to the reporting requirements.

Form 1094-C *Transmittal of Employer-Provided Health Insurance Offer and Coverage Information Returns* is used by employers to report to the IRS summary information about the health coverage of its employees. Form 1094-C also serves as the transmittal form for Form 1095-C.

Form 1095-C *Employer-Provided Health Insurance Offer and Coverage* is used by employers to report to the IRS health coverage information about each employee. A copy of Form 1095-C must be furnished to each employee.

The employee's copy of Form 1095-C must be furnished to the individual by January 31 of the year following the calendar year to which it relates (*i.e.*, January 31, 2016, for 2015 calendar years). Forms 1094-C and 1095-C must be filed with the IRS by February 28 if filing on paper (or March 31 if filing electronically) of the year following the calendar year to which it relates.

Employers subject to these reporting requirements should take measures now to ensure that their accounting systems can efficiently produce the information needed for those forms.

The chart below summarizes the requirements for offering minimum essential coverage ("MEC") and reporting, by year, based on number of full-time employees or equivalents.

| | % of full-time employees who must be offered MEC | | Required to report coverage info to IRS | |
|---|---|---|---|---|
| **Full-time employees** | **2015** | **2016** | **2015** | **2016** |
| Less than 50 | N/A | N/A | No | No |
| More than 50 | N/A | 95% | Yes | Yes |
| More than 100 | 70% | 95% | Yes | Yes |

# TANGIBLE PROPERTY REGULATIONS IMPACT TAX RETURNS FILED IN 2015

In 2014, the IRS issued final rules and implementation guidance for the tangible property regulations ("TPRs") – an expansive set of rules governing the capitalization and deduction of costs incurred to acquire, maintain, repair and replace tangible property. The final rules are required for all tax years beginning on or after January 1, 2014, and virtually all taxpayers with tangible business property, materials and supplies, or repairs and maintenance expenditures will need to apply for one or more accounting method changes on their 2014 tax returns to adopt these new rules.

***Breaking News:*** On February 13, 2015, the IRS issued relief allowing qualifying small taxpayers on 2014 tax returns to implement the tangible property regulations on a cut-off basis and without filing Form 3115. Click here for more information.

## Accounting Method Changes May Accelerate Deductions

Taxpayers traditionally may have capitalized expenditures merely because of the size of the expenditure or because it was for a discrete asset. Applying the principles of the TPRs, capitalizing some of those expenditures may no longer be necessary. Thus, aside from the compliance requirement, taxpayers should adopt the TPRs to take advantage of the opportunities to write off assets currently on the books and accelerate deductions going forward. Examples of some of the write-offs available by making the accounting method changes required by the TPRs include:

- Deducting purchases of $200 or less as materials and supplies rather than capitalizing and depreciating those assets. Examples of assets that may be deductible as materials and supplies under this provision include peripheral devices such as some printers, scanners or monitors.
- Deducting routine maintenance activities reasonably expected to be performed more than once during the unit of property's class life (or, in the case of a building, within a 10-year period).
- For small taxpayers (gross receipts under $10 million) with buildings costing less than $1 million each, deducting all expenditures for repairs and improvements if the total amount spent annually does not exceed the lesser of $10,000 or 2 percent of the cost of the building.
- Deducting as repairs and maintenance expenditures that under the TPRs do not result in a betterment, restoration or adaption of the unit of property. While there are no bright-line tests in the TPRs, they do provide examples of expenditures that are not considered a betterment or restoration (see chart below).

| Examples from the TPRs of Expenditures That are Not Restorations or Betterments |
|---|
| Refreshing a retail space by making cosmetic and layout changes |
| Replacing a roof membrane |
| Replacing 3 of 10 roof-mounted HVAC units with similar models |
| Replacing 30 percent of the wiring in a building |
| Replacing 8 of 20 sinks in a building |
| Replacing 100 of 300 exterior windows (300 windows are 25% of building's surface area) |
| Replacing the lobby flooring (comprising less than 10% of building's square footage) |
| Replacing 1 of 4 elevators in a building |

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With the exception of the materials and supplies provision, the accounting method change procedures allow taxpayers to write off the remaining basis of previously capitalized assets that now under the TPRs would be deductible repairs and maintenance.

### *De Minimis* Safe Harbor Election

If your business isn't taking advantage of the annual *de minimis* safe harbor election, it should be. A taxpayer without an applicable financial statement (AFS) electing to apply the *de minimis* safe harbor can deduct any amount paid for the acquisition of tangible property or materials and supplies up to $500 per invoice or item if:

- The taxpayer has at the beginning of the tax year accounting procedures (which do not need to be written) expensing for book purposes amounts paid for property costing less than a specified dollar amount or with an economic useful life of 12 months or less; and
- The taxpayer consistently follows and applies these accounting procedures.

The same rules apply to a taxpayer with an AFS (generally an audited financial statement), with the following modifications:

- The accounting procedures must be written, and
- The amount paid for the property cannot exceed $5,000 per invoice or item.

While it may not be formal or written, as a practical matter virtually every business has a capitalization policy. As a result, virtually every eligible business will benefit from the *de minimis* safe harbor election. Without even contemplating whether additional amounts can be deducted under the *de minimis* safe harbor, most eligible businesses should make the election to protect the amounts they are currently deducting. This is an annual election, so make sure you make the election in your tax return each year.

### Late Partial Disposition Election Available on 2014 Tax Returns Only

Prior to the TPRs, if a taxpayer disposed of a portion of an asset (*e.g.*, a roof that had been replaced), it had to continue to depreciate the replaced portion of the asset over its remaining useful life, as well as the new one. Under the TPRs, taxpayers can now elect to dispose of a portion of an asset, assuming the replacement expenditure has been capitalized.

The replacement expenditure needs to be reviewed under the betterment and restoration improvement standards to determine if it needs to be capitalized. If the taxpayer can make a strong case that the current expenditure can be deducted as a repair, the result may be preferable to capitalizing the current expenditure and writing off the remaining basis allocable to the replaced portion of the asset.

In making a partial disposition election, taxpayers may have difficulty determining the remaining basis allocable to the replaced portion of the asset, *i.e.* the amount that can be written off. The TPRs allow taxpayers to use any reasonable method that is consistently applied. If the replacement property is merely a restoration of the original property and not a betterment, a taxpayer can discount the cost of the replacement asset to the placed-in-service date of the original asset using the Producer Price Index.

The partial disposition provision is an annual election that generally is only available in the year in which the partial disposition occurs. Taxpayers have a limited opportunity, however, to file an automatic accounting method change to make a late partial disposition election for assets partially disposed of in prior years. **The last opportunity to make a late partial disposition election is on 2014 tax returns**. Therefore, taxpayers who could potentially benefit from a late partial disposition election need to take advantage of it now.

# NEW FOREIGN ACCOUNT COMPLIANCE REQUIREMENTS

The IRS continues to focus on taxpayers with unreported foreign financial accounts, as evidenced by the issue's annual inclusion on their "Dirty Dozen" list of tax scams. Severe penalties await taxpayers who are not in compliance; thus, it is imperative that businesses with foreign accounts, as well as the business owners and other employees with signature authority over those accounts, know the rules and establish processes to ensure compliance.

### FATCA Withholding Requirements

The Foreign Account Tax Compliance Act (FATCA) was enacted by Congress in 2010 to target non-compliance by U.S. taxpayers using foreign accounts. The law has been around for a few years but some of the reporting requirements have only recently gone into effect. FATCA requires foreign banks and certain other foreign entities to report specific information to the IRS or face a 30 percent withholding tax on payments to them of specified U.S. source income. These requirements also place a burden on those making the payments, the withholding agents, to either withhold the tax or obtain the proper documentation of the foreign entity's exemption.

Effective July 1, 2014, any person making a payment of U.S. source income to either a Foreign Financial Institution (FFI) or a Non-Financial Foreign Entity (NFFE) generally must withhold 30 percent of any withholdable payment unless the payee provides documentation that it is exempt from FATCA withholding. Failure to comply with the documentation and withholding requirements can trigger a penalty equal to 100 percent of the tax that wasn't withheld, plus interest and penalties. Any withholding is reported annually to the IRS on Forms 1042 and 1042-S.

A "withholdable payment" generally is defined to include:

1. Any payment of U.S. source interest, dividends, rents, royalties, salaries, wages, annuities, or other fixed, determinable, annual or periodic income (FDAP);

2. Any gross proceeds from the sale or disposition of U.S. property that can produce interest or dividends; or

3. Interest paid by a foreign branch of a U.S. bank.

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However, certain payments are not treated as withholdable payments, most notably payments that are effectively connected with a U.S. trade or business.

FFIs generally are foreign entities that are depository institutions, custodial institutions, investment entities, certain insurance or holding companies or treasury centers.

Most non-U.S. operating businesses will be classified as NFFEs. FATCA requires NFFEs to disclose to U.S. withholding agents their substantial U.S. owners (*i.e.,* persons owning more than a 10 percent interest in the entity) or, unless an exception applies, any U.S. source withholdable payment is subject to the 30 percent FATCA withholding. Exceptions apply to several types of NFFEs, including most notably, publicly traded corporations and entities in which less than 50 percent of the activity generates passive income.

The U.S. has entered into bilateral intergovernmental agreements (IGAs) with many foreign jurisdictions to facilitate the effective implementation of FATCA. These IGAs generally provide for alternative standards for complying with FATCA.

A withholding agent must obtain a new withholding certificate – Form W-8BEN-E – from any FFIs or NFFEs claiming to be exempt from the FATCA withholding requirements. Otherwise, it must withhold 30 percent from any qualifying payment. A withholding agent can still rely on a pre-FATCA Form W-8 to exempt payments made prior to 2017 if it has supplementary documented evidence of the foreign entity's exempt status.

### Foreign Financial Asset Reporting

While the bulk of the FATCA rules center around reporting and withholding requirements by FFIs, NFFEs and withholding agents, FATCA has also required U.S. individuals to disclose certain foreign financial assets to the IRS on Form 8938, Statement of Specified Foreign Financial Assets since 2012. This is in addition to the similar, but not identical, FinCEN Form 114, Report of Foreign Bank and Financial Accounts (commonly known as FBAR), which applies to a broader population of taxpayers. Failure to file either of these forms when required can result in penalties of $10,000 or more.

See the chart below for a comparison of some of the more notable requirements of Form 8938 and the FBAR. Click here to see a more expansive list from the IRS website.

| | Form 8938 | FinCEN Form 114 (FBAR) |
|---|---|---|
| **Who must file?** | Generally U.S. individuals that have an interest in specified foreign financial assets | Generally U.S. persons (including entities) that have a financial interest in, or signature authority over, foreign financial accounts |
| **Reporting threshold (total value of assets)** | $50,000 on the last day of the tax year or $75,000 at any time during the tax year (varies based on filing status and whether living abroad) | $10,000 at any time during the calendar year |
| **When due?** | By due date, including extension, if any, for income tax return | Received by June 30 (no extensions of time granted) |
| **Where to file?** | File with income tax return | File separately through FinCEN's BSA E-Filing System |
| **Include financial accounts held at foreign financial institutions?** | Yes | Yes |
| **Include foreign securities not held in a financial account?** | Yes | No |
| **Include foreign partnership interests?** | Yes | No |
| **Include foreign mutual funds?** | Yes | Yes |
| **Include foreign hedge funds and private equity funds?** | Yes | No |

# TAX TABLES

| 2015 TAX BRACKETS | |
|---|---|
| **If taxable income is:** | **Then income tax equals:** |
| **Single (S)** | |
| Not over $9,225 | 10% of taxable income |
| Over $9,225 but not over $37,450 | $922.50 + 15% of the excess over $9,225 |
| Over $37,450 but not over $90,750 | $5,156.25 + 25% of the excess over $37,450 |
| Over $90,750 but not over $189,300 | $18,481.25 + 28% of the excess over $90,750 |
| Over $189,300 but not over $411,500 | $46,075.25 + 33% of the excess over $189,300 |
| Over $411,500 but not over $413,200 | $119,401.25 + 35% of the excess over $411,500 |
| Over $413,200 | $119,996.25 + 39.6% of the excess over $413,200 |
| **Married Filing Jointly (MFJ)** | |
| Not over $18,450 | 10% of taxable income |
| Over $18,450 but not over $74,900 | $1,845 + 15% of the excess over $18,450 |
| Over $74,900 but not over $151,200 | $10,312.50 + 25% of the excess over $74,900 |
| Over $151,200 but not over $230,450 | $29,387.50 + 28% of the excess over $151,200 |
| Over $230,450 but not over $411,500 | $51,577.50 + 33% of the excess over $230,450 |
| Over $411,500 but not over $464,850 | $111,324 + 35% of the excess over $411,500 |
| Over $464,850 | $129,996.50 + 39.6% of the excess over $464,850 |

| OTHER 2015 TAX RATES / DEDUCTION LIMITATIONS | |
|---|---|
| **Long-term capital gains / qualified dividends rate** | 20% for taxpayers in 39.6% bracket<br>15% for taxpayers in 25%, 28%, 33% or 35% brackets<br>0% for taxpayers in 10% or 15% brackets |
| **Overall limitation on itemized deductions** | Itemized deductions reduced by lesser of: 3% of the amount of AGI in excess of $309,900 MFJ ($258,250 S) or 80% of allowable itemized deductions |
| **Phase-out of personal exemptions** | Reduced by 2% for each $2,500 or fraction thereof in excess of $309,900 MFJ ($258,250 S) |
| **Maximum estate / gift tax rate** | 40% |

| OTHER IMPORTANT INDEXED AMOUNTS FOR 2015 | |
|---|---|
| **Section 179 Expensing Limit** | $25,000 |
| **Section 179 Investment Threshold** | $200,000 |
| **Bonus Depreciation Percentage** | None |
| **Personal Exemption** | $4,000 |
| **Individual AMT Exemption (MFJ)** | $83,400 |
| **Individual AMT Exemption (S)** | $53,600 |
| **Social Security Wage Base Limit** | $118,500 |
| **Lifetime Gift / Estate Exclusion** | $5,430,000 |
| **Annual Gift Exclusion** | $14,000 |
| **Foreign Earned Income Exclusion** | $100,800 |
| **Standard Business Mileage Rate** | $0.575/mile |

| QUALIFIED RETIREMENT PLAN AMOUNTS FOR 2015 | |
|---|---|
| **IRA Contribution Limitation** | $5,500 |
| **IRA Age 50 "Catch Up" Contribution Limitation** | $1,000 |
| **Section 401(k) Elective Deferral Limitation** | $18,000 |
| **401(k) Age 50 "Catch Up" Deferral Limitation** | $6,000 |
| **Section 408 SIMPLE Elective Deferral Limitation** | $12,500 |
| **SIMPLE Age 50 "Catch Up" Deferral Limitation** | $3,000 |
| **Section 415 Limit for Defined Contribution Plans** | $53,000 |
| **Section 415 Limit for Defined Benefit Plans** | $210,000 |
| **Section 404 Annual Compensation Limitation** | $265,000 |

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