



2018 Retirement Plan and Social Security Limits Overview

To help you stay informed of changes to retirement plan and Social Security limits, use this quick-reference sheet. Note: This sheet applies only to federal tax laws for the tax year 2018 and not to state tax laws. Information is current as of January 1, 2018.

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Employee Benefits and IRAs

Defined Benefit Plans Limit	\$220,000, or 100% of pay from highest 3 years of service
Defined Contribution Plans Limit (Q 3833)	\$55,000 or 100% of pay
Elective Deferral Limit for 401(k), 403(b), SAR-SEPs, & 457(b) Plans (Qs 3578, 3680, 3738)	\$18,500
Catch-up for 401(k), 403(b), SAR-SEPs, 457(b) Plans (Q 3739)	\$6,000
Elective Deferral Limit for SIMPLE IRAs and SIMPLE 401(k) Plans (Qs 3673, 3728)	\$12,500
Catch-up for SIMPLE IRAs and SIMPLE 401(k) Plans (Qs 3681, 3739)	\$3,000
Min. Compensation Amount for SEPs (Q 3676)	\$600
Maximum Compensation Amount for VEBAs, SEPs, 403(b), and Qualified Plans (Qs 3676, 3832, 3887F, 3984, 4054)	\$275,000
Highly Compensated Employee Definition (Q 3890)	\$120,000, or is 5% owner at any time during look-back year
ESOP Payout Limits (Q 3784)	\$220,000, \$1,105,000
Contribution Limit for Traditional & Roth IRAs	\$5,500
Catch-up for Traditional & Roth IRAs (Qs 3636, 3638)	\$1,000

IRA Contribution—Income Phaseout Ranges

Traditional IRA Deductible Contributions (Q 3636)	
Active Participant	
Married Filing Joint (active spouse)	\$101,000 – \$121,000
Married Filing Joint (nonactive spouse)	\$189,000 – \$199,000
Married Filing Separate	\$0 – \$10,000
All Other	\$63,000 – \$73,000
Roth IRA Contributions (Q 3638)	
Married Filing Joint	\$189,000 – \$199,000
Married Filing Separate	\$0 – \$10,000
All Other	\$120,000 – \$135,000

Social Security

OASDI Earnings Base	\$128,400
OASDI Rate (employee and employer)	6.2%
HI (Medicare) Rate (each)	1.45%
Earnings Test—Under FRA	\$17,040
Earnings Test—Reach FRA	\$45,360

Average Benefits	
All Retired Workers	\$1,404
All Disabled Workers	\$1,197
Aged Couple	\$2,340
Widowed Parent and 2 Children	\$2,771
Aged Widow(er) Only	\$1,336
Disabled Worker, Spouse, and Child(ren)	\$2,051

Portion of SS Benefits Taxable where MAGI Exceeds Limits		
Married—Joint	50%	\$32,000
	85%	\$44,000
Married—Separate	50%	\$0
	85%	\$0
All Other	50%	\$25,000
	85%	\$34,000

Required Minimum Distribution (RMD)

Calculate RMD by dividing the account balance at the end of the prior year by the RMD factor for the current year. If assets are invested in a deferred annuity, the actuarial present value of additional benefits (if applicable) should be added to the contract value before dividing by the RMD factor.

Required beginning date (RBD) is generally April 1 of the year after reaching age 70½ (or the year of retirement, if later, in the case of some qualified plans). Distributions are not required from a Roth IRA until after the death of the owner. The Roth owner is always treated as dying before the RBD. (For more information please refer to IRS Publication 590-B, IRAs).

Lifetime Distributions

Generally, use the Uniform Lifetime table. If the spouse is the sole designated beneficiary and more than 10 years younger, use the Joint Life and Last Survivor Expectancy table (IRS Publication 590-B).

Distributions after Death of Owner

Death before Required Beginning Date

If an IRA owner dies before his or her required beginning date, distributions must be made under either a life expectancy method or the five-year rule.

A surviving spouse who is the sole designated beneficiary of an IRA generally may elect to treat the IRA as his or her own. (Q 3664).

Death on or after Required Beginning Date

If the owner of an IRA dies on or after the date distributions have begun (i.e., generally his or her required beginning date), but before his or her entire interest in the IRA has been distributed, the entire remaining balance generally must be distributed at least as rapidly as under the method of distribution in effect as of the owner's date of death.

If the IRA owner does not have a designated beneficiary as of the date on which the designated beneficiary is determined (i.e., September 30 of the year after death, see Q 3671), the IRA owner's interest is distributed over his or her remaining life expectancy, using the age of the owner in the calendar year of his or her death, reduced by one for each calendar year that elapses thereafter.

If the owner does have a designated beneficiary as of the determination date (Q 3671), the beneficiary's interest is distributed over the longer of (1) the beneficiary's life expectancy, or (2) the remaining life expectancy of the owner, determined using the age of the owner in the calendar year of his or her death, reduced by one for each calendar year that elapses thereafter.

A surviving spouse of an IRA owner who is the sole beneficiary of an IRA and who has an unlimited right to make withdrawals from the IRA may elect to treat the entire account as his or her own IRA. (Q 3664).

RMD Tables

Uniform Lifetime			Single Life Expectancy			
Age	Factor	%	Age	Factor	Age	Factor
70	27.4	3.6	9	73.8	55	29.6
71	26.5	3.8	10	72.8	56	28.7
72	25.6	3.9	11	71.8	57	27.9
73	24.7	4.0	12	70.8	58	27.0
74	23.8	4.2	13	69.9	59	26.1
75	22.9	4.4	14	68.9	60	25.2
76	22.0	4.5	15	67.9	61	24.4
77	21.2	4.7	16	66.9	62	23.5
78	20.3	4.9	17	66.0	63	22.7
79	19.5	5.1	18	65.0	64	21.8
80	18.7	5.3	19	64.0	65	21.0
81	17.9	5.6	20	63.0	66	20.2
82	17.1	5.8	21	62.1	67	19.4
83	16.3	6.1	22	61.1	68	18.6
84	15.5	6.5	23	60.1	69	17.8
85	14.8	6.8	24	59.1	70	17.0
86	14.1	7.1	25	58.2	71	16.3
87	13.4	7.5	26	57.2	72	15.5
88	12.7	7.9	27	56.2	73	14.8
89	12.0	8.3	28	55.3	74	14.1
90	11.4	8.8	29	54.3	75	13.4
91	10.8	9.3	30	53.3	76	12.7
92	10.2	9.8	31	52.4	77	12.1
93	9.6	10.4	32	51.4	78	11.4
94	9.1	11.0	33	50.4	79	10.8
95	8.6	11.6	34	49.4	80	10.2
96	8.1	12.3	35	48.5	81	9.7
97	7.6	13.2	36	47.5	82	9.1
98	7.1	14.1	37	46.5	83	8.6
99	6.7	14.9	38	45.6	84	8.1
100	6.3	15.9	39	44.6	85	7.6
101	5.9	16.9	40	43.6	86	7.1
102	5.5	18.2	41	42.7	87	6.7
103	5.2	19.2	42	41.7	88	6.3
104	4.9	20.4	43	40.7	89	5.9
105	4.5	22.2	44	39.8	90	5.5
106	4.2	23.8	45	38.8	91	5.2
107	3.9	25.6	46	37.9	92	4.9
108	3.7	27.0	47	37.0	93	4.6
109	3.4	29.4	48	36.0	94	4.3
110	3.1	32.3	49	35.1	95	4.1
111	2.9	34.5	50	34.2	96	3.8
112	2.6	38.5	51	33.3	97	3.6
113	2.4	41.7	52	32.3	98	3.4
114	2.1	47.6	53	31.4	99	3.1
115+	1.9	52.6	54	30.5	100	2.9

Q numbers reference questions in *2018 Tax Facts on Insurance & Employee Benefits*.