Internal Revenue Service (IRS) Limits on Deferred Compensation Plans

The University of Tennessee offers employees eligible to participate in retirement, the benefit of deferred compensation plans that allows them to supplement pension and social security in retirement and provides current tax reduction benefits. Under current tax law these employees are permitted to set aside a portion of their gross income and defer paying taxes on that income and any interest it earns until such time as they actually receive the funds (generally upon retirement). Plans offered are 401k, 403b and 457. The 401(k) Roth is also offered, but contributions are from after-tax dollars. However, if an employee participates in both a 401(k) and/or a 401(k) Roth, the limit is the same as shown below under the **401(k)/403(b) Deferral Limit**.

Please contact Benefits and Retirement if you have any questions, retirement@tennessee.edu or 888-444-8847 or your local campus/institute office that handles deferred compensation.

IRS General Limits – NOT Individualized Limits	**2019**
401(k)/403(b)/Thrift Savings Plan Deferral Limit	
The limitation on cumulative elective deferrals to a 401(k) and/or a 403(b) tax deferred annuity plan(s) in a tax year as coordinated under IRC Section 402(g)(1)	$19,000
457 Deferral Limit	
The limitation on deferrals to 457 plans under IRC Section 457(e)(15)	$19,000
403(b) Catch-up Limit	
The special catch-up election for employees participating in a 403(b) tax deferred annuity who have had at least 15 years of service with an **educational organization**, hospital, home health agency, health and welfare service agency, church or convention or association of churches. *Note: This additional 403(b) catch-up of up to $3,000 per year cannot exceed $15,000 cumulatively over the lifetime of the 403(b) participant.*	$22,000
457 Catch-up Limit	
The special catch-up election for employees participating in an eligible 457 deferred compensation who have elected the special catch-up available in the three years prior to the year of normal retirement age. *Note: The participant in a governmental 457(b) plan may make catch-up contributions in a year equal to the greater of (a) the amount permitted under the age 50+ catch-up rule or (b) the amount permitted under the normal retirement age catch-up rule.*	$38,000
Age 50+ Catch-up Limit	
The special catch-up available under Internal Revenue Code (IRC) Section 414(v) for individuals at least 50 years old in 2017 and make eligible pre-tax contributions to 401(k), 403(b), and governmental 457 plans	$6,000

This material was created to provide information. It is not intended to provide specific legal, tax or other professional advice. The services of an appropriate professional should be obtained in regard to your individual situation.

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