



2019 IRS Contribution Limits

Starting in 2019 you will be able to save more for retirement than ever before.

The IRS has announced they are increasing the salary deferral contribution limits for employee retirement plans such as 401(k)s to \$19,000 a year, which is a \$500 increase from 2018. For individuals age 50 and older, you are allowed to contribute an extra \$6,000 for a total of \$25,000. The age 50 catch-up feature remains unchanged from the previous years.

Limits on personal, non-workplace retirement accounts are also moving up. Individual Retirement Accounts, also known as IRAs, will also see a \$500 increase from \$5,500 to \$6,000.

Again, for those people 50 or older, you're allowed to contribute an additional \$1,000. There are certain income limitations you must meet to qualify which are outlined below.

While \$500 may not sound like a big increase, it can make a difference. Investing \$500 every single year for 30 years with

a 7% average annual rate of return would grow to \$47,230 in extra retirement savings.

The increase comes at a time when wages grew at their fastest rate since 2009 and unemployment is at a near 50-year low, according to figures from the Department of Labor. And while the overall economy may be performing well, the retirement saver sees uncertainty in their future.

According to a 2018 report published by the Transamerica Center for Retirement Studies, 52% of adults cited outliving their savings or investments as the number one fear in retirement. The outlook isn't better. The vast majority, 79%, believe their generation will have a much harder time achieving financial security compared to their parent's generation.

The bottom line... take advantage of as much "tax friendly" savings accounts as possible. Start with maxing out your workplace benefits. Once you reach that limit, see if you qualify to contribute to a traditional IRA or Roth IRA. Speak to your Oppenheimer Financial Advisor or your tax advisor for more information.

Summary of Contribution or Deferral Limits	2018	2019
401(k), 403(b), most 457 plans, and the federal government's Thrift Savings Plan salary deferral limits*:	\$18,500	\$19,000
Traditional and Roth IRAs*:	\$5,500	\$6,000
SEP IRAs and Solo 401(k) contribution limits*:	\$55,000	\$56,000
SIMPLE IRAs salary deferral limits*:	\$12,500	\$13,000
Modified Adjusted Gross Income Eligibility Limits		
Single taxpayers covered by a workplace plan:	Up to \$73,000	Up to \$74,000
Single and head of household taxpayer for Roth IRA contributions:	Up to \$135,000	Up to \$137,000
Married couples filing jointly, both covered by a workplace plan:	Up to \$121,000	Up to \$123,000
Married couples filing jointly for Roth IRA contributions:	Up to \$199,000	Up to \$203,000

*Catch-up contributions may apply

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