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IRS Announces Employee Benefit Plan Limits for 2016

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Recently the **Internal Revenue Service (IRS)** and the **Social Security Administration** announced the cost-of-living adjustments to the applicable dollar limits on various employer-sponsored retirement and welfare plans and the Social Security wage base for 2016. The table below compares the applicable dollar limits for certain employee benefit programs and the Social Security wage base for 2015 and 2016.*

Plan sponsors should update payroll and plan administration systems for the 2016 cost-of-living adjustments and should incorporate the new limits in relevant participant communications, like open enrollment materials and summary plan descriptions.

* The dollar limits are generally applied on a calendar year basis; however, certain dollar limits are applied on a plan-year, tax-year, or limitation-year basis.

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