

February 1, 2018

Generally, contributions to an employee's 403(b) account are limited to the lesser of:

- the limit on annual additions, or
- the elective deferral limit.

## Limit on Employee Elective Salary Deferrals

The limit on elective deferrals—the most an employee can contribute to a 403(b) account out of salary—is **\$18,500** in 2018 (\$18,000 in 2015–2017). Employees who are age 50 or over at the end of the calendar year can also make [catch-up contributions](#) of \$6,000 in 2015–2018 beyond the basic limit on elective deferrals.

## Limit on Annual Additions

The limit on annual additions (the combination of *all* employer contributions and employee elective deferrals to all 403(b) accounts) generally is the lesser of:

- [\\$55,000 for 2018](#) (\$54,000 for 2017), or
- 100% of includible compensation for the employee's most recent year of service.

Generally, includible compensation is the amount of taxable wages and benefits the employee received in the employee's most recent full year of service.

## Catch-Ups for Employees Age 50 or Over

If permitted by the 403(b) plan, employees who are age 50 or over at the end of the calendar year can also make [catch-up contributions](#) of \$6,000 in 2015–2018 beyond the basic limit on elective deferrals.