



LOUISIANA COMMUNITY & TECHNICAL COLLEGE SYSTEM

PAYROLL MEMORANDUM 2018.04

Changing Lives, Creating Futures

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TO: All Employees of Community and Technical Colleges, including Baton Rouge Community College, Bossier Parish Community College, Central Louisiana Technical Community College, Delgado Community College, L. E. Fletcher Technical Community College, Louisiana Delta Community College, Northshore Technical Community College, Northwest Louisiana Technical College, Nunez Community College, River Parishes Community College, South Central Louisiana Technical College, South Louisiana Community College, SOWELA Technical Community College and the LCTCS Office

FROM: Sharon Dunham
LCTCS Payroll, Sr Payroll Manager

DATE: January 25, 2018

RE: Retirement Savings Plans 457 and 403(b) Contribution Limits Increased for Calendar Year 2018

For calendar year 2018, the limitations on contributions under §457(e)(15) of the Internal Revenue Code plans 457A, 457B, 457C, 457D, 457R, 457S and ROTH) and §403(b) of the IRS code (IT14 403(b) deductions) have changed. The plan limits for employees under the age of 50 have changed from \$18,000 to \$18,500 per year or 100% of includible compensation (gross wages paid minus deferred retirement contributions), whichever is less. The limit has increased from \$24,000 to \$24,500 for employees age 50 or over. The catch-up limit for the §457(e)(15) has changed from \$36,000 to \$37,000 per year for those contributors who are within three years of retirement, but not in the year of retirement. Other limits under §403(b) may apply based on certain allowable elections made by the employee. Refer to the employee application or contact the vendor to determine if an employee is exercising an allowable election.

Employees enrolled in LA Deferred Compensation in lieu of Social Security/Retirement Banner Code L12 (457R) contribute 7.5% on compensation equal to the Social Security wage base limit. The wage base limit increases to \$128,400 for calendar year 2018. Banner will automatically stop deductions when this limit is reached. Refer to Deferred Compensation (457R) Plan in Lieu of Retirement procedure for additional information on 457R Plan eligibility.

Note: Employees who are enrolled in both post-tax and pre-tax options (457R, 457S, and ROTH LaGov HCM plans) may contribute a total of \$18,500 combined. Employees who work in agencies where both the §457 and §403(b) plans are available may fully contribute up to the annual contribution limits in both plans. Employees may contact the LA Deferred Compensation Plan staff at (225) 926-8082 extension "0" or toll free at (800) 937-7604 or their respective §403(b) provider for more information.