

## Puerto Rico Treasury Announces Key Benefit Plan Limits for 2015

Puerto Rico's Secretary of Treasury has announced the qualified retirement plan limits for 2015.

### Background

Puerto Rico's Internal Revenue Code of 2011 (as amended) provides that after the US Internal Revenue Service announces its limits for US qualified retirement plans, Puerto Rico's Treasury Department will issue written guidance on the limits that apply to Puerto Rico qualified plans.

### Circular Letter #14-05 Announces 2015 Limits for Puerto Rico Qualified Retirement Plans

The table below lists the key 2015 limits specified in [Circular Letter #14-05](#), the corresponding 2014 limits, and the US Internal Revenue Code (Code) sections that specify analogous limits.

Puerto Rico Internal Revenue Code Limit (section)	Analogous US Code section specifying limit	2015	2014
Elective deferral maximum for participants in plans only qualified in Puerto Rico (§1081.01(d)(7)(A)(i)), and participants in dual-qualified plans attaining age 75 by the end of the year (§1081.01(d)(7)(A)(iii))	None	\$ 15,000	\$ 15,000
Elective deferral maximum for US government employees and dual-qualified plan participants not attaining age 75 by the end of the year (§1081.01(d)(7)(A)(ii))	§402(g)(1)(B)	\$ 18,000	\$ 17,500
Dual-qualified plans — combined limit on elective deferrals (other than catch-ups) and up to \$5,000 in deductible IRA contributions for those not attaining age	None	\$ 20,000	\$ 20,000

Puerto Rico Internal Revenue Code Limit (section)	Analogous US Code section specifying limit	2015	2014
75 by the end of the year (§1081.01(d)(7)(A)(iii))			
Lifetime cap on after-tax contributions as a percentage of pay earned while a participant (§1081.01(a)(15))	None	10%	10%
Defined benefit dollar maximum (§1081.01(a)(11)(A)(i))	§415(b)(1)(A)	\$ 210,000	\$ 210,000
Defined contribution annual addition dollar maximum (§1081.01(a)(11)(B)(i))	§415(c)(1)(A)	\$ 53,000	\$ 52,000
Age 50 catch-up deferral limit, other than for US government employees (§1081.01(d)(7)(C)(i))	§414(v)(2)(B)(i)	\$ 1,500	\$ 1,500
Age 50 catch-up deferral limit for US government employees only (e.g., federal Thrift Savings Plan), (§1081.01(d)(7)(C)(v))	§414(v)(2)(B)(i)	\$ 6,000	\$ 5,500
Annual compensation limit (§1081.01(a)(12))	§401(a)(17)(A)	\$ 265,000	\$ 260,000
Highly compensated employee limit (§1081.01(d)(3)(E)(iii)(IV))	§414(q)(1)(B)(i)	\$ 120,000	\$ 115,000

Note that for purposes of the above elective deferral limits, dual-qualified plans are plans that meet the requirements of both section 1081.01(d) of the Puerto Rico Internal Revenue Code and 401(k) of the US Code. In addition, the dual-qualified limits will apply to an individual who is a participant in multiple plans of an employer, for example, a US qualified plan and a Puerto Rico qualified plan. Plans sponsored by the US government (such as the federal Thrift Savings Plan) are also considered dual qualified.

## In Closing

Plan sponsors should ensure that documents and employee communications are updated to reflect the adjusted 2015 limits, and take steps to properly apply these limits in the administration of Puerto Rico qualified or dual-qualified retirement plans.

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