

Internal Revenue Code Section 415(b) Fact Sheet

Internal Revenue Code Section 415(b) – Defined Benefit Dollar Limit

Internal Revenue Code (IRC) Section 415(b) limits an individual's pension benefit amount. An individual's pension benefit amount is limited to the lesser of the OPERS benefit calculation or the IRC 415(b) limit. Only the portion of the pension benefit amount attributable to employer contributions as well as picked up employee contributions is compared to the limits under IRC 415(b).

The IRC 415(b) limit affecting public employees is the Dollar Limit. **The Dollar Limit for 2019 is \$225,000.** Under the Dollar Limit, which is adjusted based on age, the portion of the benefit amount attributable to employer contributions and picked up employee contributions may not exceed the dollar amounts for 2019, shown on the next page.

Only a small number of OPERS members are affected by the IRC 415(b) limit, which is indexed annually. Please contact OPERS for a determination of how IRC 415(b) may affect your retirement benefit.

For members impacted by the limit, OPERS has received approval from the Internal Revenue Service for its qualified excess benefit arrangement (QEBA). The QEBA permits payment of the portion of the OPERS pension benefit amount that exceeds the IRC 415(b) limit.

Internal Revenue Code Section 401(a)(17) – Compensation Limit

There is also a Federal limitation on compensation. The compensation limit (established by IRC section 401(a)(17)) is the amount beyond which no further retirement contributions may be deducted from an employee's earnable salary for a given year. This limit applies to all OPERS members, regardless of their retirement plan enrollment.

The 2019 compensation limits are:

\$280,000 for employees or elected officials establishing OPERS membership on or after Jan. 1, 1994.

\$415,000 for employees or elected officials establishing OPERS membership prior to Jan. 1, 1994. This limit is applied regardless of whether there has been a break in service or an account refund for previous service.

These limits are indexed annually.

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Retirement Age	Public Plan General Members	Public Plan Police and Fire Members
35	\$42,440	\$225,000
36	44,821	225,000
37	47,349	225,000
38	50,037	225,000
39	52,896	225,000
40	55,939	225,000
41	59,180	225,000
42	62,635	225,000
43	66,321	225,000
44	70,257	225,000
45	74,463	225,000
46	78,963	225,000
47	83,782	225,000
48	88,949	225,000
49	94,495	225,000
50	100,454	225,000
51	106,867	225,000
52	113,777	225,000
53	121,233	225,000
54	129,292	225,000
55	138,015	225,000
56	147,474	225,000
57	157,748	225,000
58	168,927	225,000
59	181,115	225,000
60	194,429	225,000
61	209,006	225,000
62	225,000	225,000
63	225,000	225,000
64	225,000	225,000
65 or older	\$225,000	\$225,000