

General Limit

Under the general limit on elective deferrals, the most that can be contributed to your 403(b) account through a salary reduction agreement is \$18,500 for 2018. This limit applies without regard to community property laws.

15-Year Rule

If you have at least 15 years of service with an educational organization (such as a public or private school), hospital, home health service agency, health and welfare service agency, church, or convention or association of churches (or associated organization) and it is allowed by the terms of the plan document, the limit on elective deferrals to your 403(b) account is increased by the least of:

1. \$3,000;
2. \$15,000, reduced by the sum of:
 1. The additional pre-tax elective deferrals made in prior years because of this rule, plus
 2. The aggregate amount of designated Roth contributions permitted for prior years because of this rule; or
3. \$5,000 times the number of your years of service for the organization, minus the total elective deferrals made by your employer on your behalf for earlier years.

If you qualify for the 15-year rule (sometimes referred to as the special section 403(b) catch-up or the years-of-service catch-up), your elective deferrals under this limit can be as high as \$21,500 for 2018 (under age 50) / \$27,500 (over age 50).

To determine whether you have 15 years of service with your employer, see *Years of Service* next.

Years of Service

To determine if you are eligible for the increased limit on elective deferrals, you will first need to figure your years of service. How you figure your years of service depends on whether you were a full-time or a part-time employee, whether you worked for the full year or only part of the year, and whether you have worked for your employer for an entire year.

You must figure years of service for each year during which you worked for the employer who is maintaining your 403(b) account.

If more than one employer maintains a 403(b) account for you in the same year, you must figure years of service separately for each employer.

For purposes of the 15-year rule, years of service are calculated through the year for which the calculation is being made. For example, to determine the limit for 2016, you count years of service through 2016.

https://www.irs.gov/publications/p571/ch04.html#en_US_2011_publink1000239676