

2016/2017 dollar limitations for retirement plans



Wealth
Management

Some new limitations will apply to retirement plans and other benefit plans in 2017 as a result of cost-of-living adjustments made by the IRS and the Social Security Administration. The limits for 2017, as well as the 2016 limits, are as follows:

Account Types		2016 Limit	2017 Limit
IRA	Traditional and Roth IRA contribution limit	\$5,500	\$5,500
	Catch-up limit for individuals age 50 and older	\$1,000	\$1,000
SIMPLE IRA	Elective deferral limit	\$12,500	\$12,500
	Catch-up limit for individuals age 50 and older	\$3,000	\$3,000
	Maximum employer match (\$1 for \$1 match on the first 3% of employee compensation deferred).	\$12,500	\$12,500
	Maximum employer non-elective contribution (2% of employee's compensation, up to \$265K in 2016 and \$270K in 2017)	\$5,300	\$5,400
	Catch-up deferral is also matched by employer if individual is age 50 or older.	\$3,000	\$3,000
SEP IRA	Maximum SEP contribution	\$53,000	\$54,000
	SEP compensation exclusion	\$600	\$600
401(k), SARSEP, 403(b) and Governmental 457(b)	Elective deferral limit	\$18,000	\$18,000
	Catch-up limit for individuals age 50 and older	\$6,000	\$6,000
Profit Sharing, 401(k) and Money Purchase Pension	Defined contribution limit (415(c) limit)	\$53,000	\$54,000
	Employee annual compensation limit	\$265,000	\$270,000
401(k), SARSEP, 403(b) and Governmental 457(b)	Highly compensated employee limit (no requirement for 5% owner)	\$120,000	\$120,000
	Top-heavy plan key employee compensation limit	\$170,000	\$175,000
Defined Benefit	Maximum annual benefit at retirement	\$210,000	\$215,000

Modified Adjusted Gross Income (MAGI) phase-out ranges for traditional IRA deduction when taxpayer is covered by a retirement plan at work			
Filing status		2016	2017
Single or head of household		\$61,000-\$71,000	\$62,000-\$72,000
Married filing jointly		\$98,000-\$118,000	\$99,000-\$119,000
Married filing jointly for non-covered spouse with a spouse who is an active participant		\$184,000-\$194,000	\$186,000-\$196,000
MAGI phase-out ranges for Roth IRA annual contributions			
Filing status		2016	2017
Single or head of household		\$117,000-\$132,000	\$118,000-\$133,000
Married filing jointly		\$184,000-\$194,000	\$186,000-\$196,000
Social Security			
		2016	2017
Social security taxable wage base		\$118,500	\$127,200
Maximum earnings for individuals under normal retirement age before Social Security benefits are reduced. One dollar in benefits will be withheld for every \$2 in earnings above the limit.		\$15,720 (\$1,310/mo)	\$16,920 (\$1,410/mo)
Maximum Social Security benefit at social security full retirement age		\$2,639	\$2,687
Health Savings Accounts (HSAs)		2016	2017
Maximum contribution limit	Single	\$3,350	\$3,400
	Family	\$6,750	\$6,750
	Catch-Up (age 55 by the end of the year)	\$1,000	\$1,000
Minimum annual deductible for High Deductible Health Plan (HDHP)	Single	\$1,300	\$1,300
	Family	\$2,600	\$2,600
HDHP maximum out-of-pocket expenses	Single	\$6,550	\$6,550
	Family	\$13,100	\$13,100

If you have any questions about your retirement plan or these dollar limits, please contact your financial advisor.