

2017 RETIREMENT PLAN LIMITATIONS

The IRS recently released the 2017 cost-of-living adjustments that are applied to the dollar limitations for defined benefit and defined contribution plans and social security. Some of the limits have changed as you can see below (highlighted in bold):

Types of Limitations	2017	2016
Elective Deferrals (401)(k) and 403(b); not including adjustments and catch-ups	\$18,000	\$18,000
457(b)(2) and 457(c)(1) Limits (not including catch-ups)	\$18,000	\$18,000
Section 414(v) Catch-Up Deferrals to 401(k), 403(b), 457(b)	\$6,000	\$6,000
<i>Defined Benefit Plans</i>	<i>\$215,000</i>	<i>\$210,000</i>
<i>Defined Contribution Plans (annual additions limit)</i>	<i>\$54,000</i>	<i>\$53,000</i>
<i>Annual Compensation Limit</i>	<i>\$270,000</i>	<i>\$265,000</i>
Highly Compensated Employee ("HCEs")	\$120,000	\$120,000
Key Employee for "Top Heavy" Purposes	\$175,000	\$175,000
Individual Retirement Accounts ("IRAs"), for individuals 49 and below	\$5,500	\$5,500
Individual Retirement Accounts ("IRAs"), for individuals 50 and above	\$6,500	\$6,500
SIMPLE Retirement Accounts	\$12,500	\$12,500
SEP Coverage	\$600	\$600
<i>SEP Compensation</i>	<i>\$270,000</i>	<i>\$265,000</i>
Maximum Amount for Qualified Longevity Annuity Contract Purchases	\$125,000	\$125,000
<i>Income Subject to Social Security Tax</i>	<i>\$127,000</i>	<i>\$118,000</i>
FICA Tax for Employers	7.65%	7.65%
FICA Tax for Employees	7.65%	7.65%
Social Security Tax for Employers	6.20%	6.20%
Social Security Tax for Employees	6.20%	6.20%
Medicare Tax for Employees and employers	1.45%	1.45%
SECA Tax for self-employed workers	15.30%	15.30%
Social Security Tax for self-employed workers	12.40%	12.40%
Medicare Tax for self-employed workers	2.90%	2.90%