

Retirement Plan Dollar Limits for 2017

The contributions and retirement benefits under qualified retirement plans are subject to certain annual limits. Most of these limits are subject to an annual cost-of-living increase based on the Consumer Price Index (CPI) for the quarter ending September 30th. The IRS has announced the cost-of-living adjustments to the annual limits for 2017.

Comparison of 2016 and 2017 Annual Limits

Limit	2016	2017
Compensation Limit	\$265,000	\$270,000
Defined Contribution 415 Limit	\$53,000	\$54,000
Defined Benefit 415 Limit	\$210,000	\$215,000
Key Employee Officer	\$170,000	\$175,000
Highly Compensated Employee	\$120,000	\$120,000
Governmental Plan Compensation Limit	\$395,000	\$400,000
ESOP 409(o) Limits	\$1,070,000 \$210,000	\$1,080,000 \$215,000

Elective Deferral and Catch-up Contribution Limits

Limit	2016	2017
401(k), 403(b), 457(b) Plan Deferral Limit	\$18,000	\$18,000
401(k), 403(b), governmental 457(b) Catch-up Limit	\$6,000	\$6,000
SIMPLE Plan Deferral Limit	\$12,500	\$12,500
SIMPLE Plan Catch-up Limit	\$3,000	\$3,000

IRA Limits

The limit on contributions to a traditional or Roth Individual Retirement Arrangements (IRA) will again not change in 2017 and will remain at \$5,500. The limit that applies to IRA catch-up contributions (contributions for individuals age 50 and older) remains at \$1,000.

Social Security

The Social Security Administration announced an increase in the taxable wage base (TWB) for 2017 to \$127,200 (was \$118,500 in both 2015 and 2016). Workers pay Social Security tax on wages up to the TWB. Also, some retirement plan formulas are integrated with Social Security. These plans often use the TWB when allocating contributions or calculating benefits.

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