

Abstract: The IRS recently issued cost-of-living adjustments for 2017. This brief article gives a few examples of what has and hasn't changed regarding the dollar limits for many different types of retirement plans.

Slight adjustments: COLA amounts for 2017 retirement plans

The IRS recently issued cost-of-living adjustments (or "COLAs") for 2017. If, like most people, you're funding a retirement plan, it's a good idea to take a look at what's changed and what hasn't.

Elective deferrals to 401(k), 403(b), 457(b)(2) and 457(c)(1) plans will remain the same at \$18,000. Likewise, contributions to SIMPLEs stay unchanged at \$12,500, and contributions to IRAs remain static at \$5,500. Catch-up contributions stay the same, as well — \$6,000 for 401(k), 403(b), 457(b)(2) and 457(c)(1) plans; \$3,000 for SIMPLEs; and \$1,000 for IRAs.

What has changed? The annual benefit for defined benefit plans rises from \$210,000 to \$215,000. Meanwhile, contributions to defined contribution plans go from \$53,000 to \$54,000.

Please note: Your modified adjusted gross income (MAGI) may reduce or even eliminate your ability to take advantage of IRAs. Fortunately, IRA-related MAGI phaseout range limits all will increase for 2017. Please contact our firm for these specific amounts.

We can also help you better understand other important COLA amounts — including those related to ordinary-income tax brackets, the alternative minimum tax, education- and child-related breaks, and gift and estate taxes.

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