

# Alerts

## Annual Limits for 2017

### IRS Announces Retirement Plan Changes

In News Release IR-2016-141 and Notice 2016-62, the IRS announced the cost-of-living adjustments that apply to various retirement plan dollar limits for the 2017 tax year. Some of the more common limits are shown in the accompanying table.

Also included in the table is information released by the Social Security Administration regarding the cost-of-living adjustments to the maximum earnings subject to the Social Security payroll tax.

	2016 Limit	2017 Limit
Annual limit on 401(k) and 403(b) elective deferrals	\$ 18,000	<b>\$ 18,000</b>
Code § 402(g)(1)		(unchanged)
Annual limit on 457 deferrals	18,000	<b>18,000</b>
Code § 457(e)(15)		(unchanged)
Annual limit on catch-up contributions to 401(k), 403(b), and 457 eligible governmental plans for employees age 50 or older	6,000	<b>6,000</b>
Code § 414(v)(2)(B)(i)		(unchanged)
Annual limit on annual additions to defined contribution plans	53,000	<b>54,000</b>
Code § 415(c)(1)(A)		
Annual limit on benefits payable from defined benefit plans	210,000	<b>215,000</b>
Code § 415(b)(1)(A)		
Annual limit on compensation considered for certain plan purposes	265,000	<b>270,000</b>
Code § 401(a)(17) and 404(l)		
Highly Compensated Employees	120,000	<b>120,000</b>
Code § 414(q)(1)(B)		(unchanged)
Key Employees	170,000	<b>175,000</b>
Code § 416(i)(1)(A)(i)		
Social Security — Maximum Taxable Earnings		
Social Security (OASDI only)	118,500	<b>127,200</b>
Medicare (HI only)	No limit	<b>No limit</b>

## Limits Related to High Deductible Health Plans and Health Savings Accounts

In Revenue Procedure 2016-28, the IRS announced the calendar year 2017 changes to the annual limits for health savings accounts (HSAs) and their linked high deductible health plans (HDHPs). The changes reflect a cost-of-living adjustment and rounding rules under Internal Revenue Code § 223. The limits remained unchanged, with the exception of the self-only HSA contribution limit, which increased by \$50.

	2016 Limits		2017 Limits	
HDHP minimum deductible	Self-only:	\$1,300	<b>Self-only:</b>	<b>\$1,300</b> (unchanged)
	Family:	\$2,600	<b>Family:</b>	<b>\$2,600</b> (unchanged)
HDHP maximum out-of-pocket expenses <sup>1</sup>	Self-only:	\$6,550	<b>Self-only:</b>	<b>\$6,550</b> (unchanged)
	Family:	\$13,100	<b>Family:</b>	<b>\$13,100</b> (unchanged)
HSA contribution limit (employee + employer)	Self-only:	\$3,350	<b>Self-only:</b>	<b>\$3,400</b>
	Family:	\$6,750	<b>Family:</b>	<b>\$6,750</b> (unchanged)
HSA catch-up contributions (age 55 or older) <sup>2</sup>		\$1,000		<b>\$1,000</b> (unchanged)

If you have questions regarding the 2017 annual limits or other employee benefit matters, please contact your BPS&M consultant or call us at 1-800-222-5493.

<sup>1</sup>Out-of-pocket expenses include deductibles, copayments, and other amounts, but exclude premiums.

<sup>2</sup>The HSA catch-up contribution amount is not indexed, and an increase would require a statutory change.

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## About BPS&M

Bryan, Pendleton, Swats & McAllister, LLC is a Findley Davies Company. Findley Davies / BPS&M has been providing actuarial and benefit consulting services to clients since 1969.

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