

ALERTS

2017 Retirement Plan Dollar Limits Mostly Remain Flat with Some Increases

October 27, 2016

The Internal Revenue Service and the Social Security Administration announced the cost-of-living adjustments affecting limitations for qualified retirement plans and IRAs for 2017. Overall, the limitations remain flat because inflation is low.

IRS Notice 2016-62 sets forth the annual dollar limitations effective Jan. 1, 2017, as required under Section 415(d) of the Internal Revenue Code. Employees will be able to continue to defer up to \$18,000 into their qualified defined contribution plans, and an additional \$6,000 for those over the age of 50, for a combined total of \$24,000. The Consumer Price Index for All Urban Consumers is the benchmark used to determine the index and did not have the increases needed to trigger many adjustments for 2017. As a result, some of the 2017 dollar limits will again remain unchanged as noted in this *Alert* and a few limits will increase, most notably the annual addition limit for defined contribution plans increases to \$54,000.

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