

# COLA 2017

## Retirement Cost-of-Living Adjustments

TRI-AD presents the *Cost-of-Living Adjustments* (COLAs) for 2017. These limits are provided each year by the Internal Revenue Service and become effective **January 1, 2017**.

### Maximum Dollar Limitations

Employee Deferral Limits	2017	2016	2015	2014	2013
401(k) Contribution	\$18,000	18,000	18,000	17,500	17,500
403(b) Contribution	\$18,000	18,000	18,000	17,500	17,500
457 Contribution	\$18,000	18,000	18,000	17,500	17,500
SIMPLE 401(k)/IRA	\$12,500	12,500	12,500	12,000	12,000
<b>Employee Catch-Up Limits</b>					
401(k), 403(b), 457	\$6,000	6,000	6,000	5,500	5,500
SIMPLE 401(k)/IRA	\$3,000	3,000	3,000	2,500	2,500
<b>Other Plan Limitations</b>					
Compensation Cap	\$270,000	265,000	265,000	260,000	255,000
Defined Benefit Plan Maximum Benefit	\$215,000	210,000	210,000	210,000	205,000
Defined Contribution Plan Maximum Contribution	\$54,000	53,000	53,000	52,000	51,000
Highly Compensated Employees' Compensation Exceeding	\$120,000	120,000	120,000	115,000	115,000
Key Employee Officer Compensation	\$175,000	170,000	170,000	170,000	165,000
Key Employee 1% Owner	\$150,000	150,000	150,000	150,000	150,000
SEP Participation Coverage Compensation Level	\$600	600	600	550	550
ESOP Threshold for 5 Year Distribution Period	\$1,080,000	1,070,000	1,070,000	1,050,000	1,035,000
ESOP Incremental Threshold for Extending 5-Year Distribution Period (max 5 additional years)	\$215,000	210,000	210,000	210,000	205,000
<b>Social Security Taxable Wage Bases</b>					
- Social Security	\$127,200	118,500	118,500	117,000	113,700
- Medicare	No Limit	No Limit	No Limit	No Limit	No Limit
<b>Social Security Tax Rates</b>					
<b>By Percentage</b>					
- Social Security - Employer	6.20	6.20	6.20	6.20	6.20
- Social Security - Employee	6.20	6.20	6.20	6.20	4.20
- Medicare – Employer and Employee	1.45	1.45	1.45	1.45	1.45
- Per Employer/Per Employee Combined Rate	7.65	7.65	7.65	7.65	7.65
Combined Rate	15.30	15.30	15.30	15.30	13.30
Additional Medicare Tax on Wages above \$200,000 – Employee Only	.9*	.9*	.9*	.9*	.9*

\*The Affordable Care Act imposes an additional .9% Medicare tax on wages above \$200,000 (\$250,000 for married couples filing jointly, \$125,000 for married couples filing separately and \$200,000 for other filers). Employers are required to withhold the additional .9% Medicare tax (a total of 2.35%) on wages above \$200,000 regardless of the employee's tax filing status. Employers do not match this additional tax.

For more information, please [contact us](#) through our website or call (800) 733-7555.

[www.tri-ad.com](http://www.tri-ad.com)



# COLA 2017

## Health & Welfare Cost-of-Living Adjustments

TRI-AD presents the *Cost-of-Living Adjustments* (COLAs) for 2017. These limits are provided each year by the Internal Revenue Service and are effective as of **January 1, 2017**.

### Maximum Dollar Limitations

Health Care Reimbursement Accounts in a Cafeteria Plan	2017	2016	2015	2014
Maximum Contribution	\$2,600	2,550	2,550	2,500
Dependent Care Reimbursement Accounts in a Cafeteria Plan				
Maximum Contribution	\$5,000	5,000	5,000	5,000
Maximum Contribution if Married Filing Separately	\$2,500	2,500	2,500	2,500
Dependent Care Tax Credit on Personal Tax Return <sup>1</sup>				
1 Qualifying Individual	\$3,000	3,000	3,000	3,000
2 or more Qualifying Individuals	\$6,000	6,000	6,000	6,000
Qualified Relative Income Allowance				
Maximum Amount a qualified relative can earn and still be considered a dependent for tax purposes	\$4,050	4,050	4,000	3,950
Qualified Transportation Plan <sup>2</sup>				
Parking – Monthly Limit	\$255	255	250	250
Transit Passes and Vanpooling (Combined) – Monthly Limit	\$255	255	250/130 <sup>2</sup>	250
Bicycle benefit (Employer-funded) – Monthly Limit	\$20	20	20	20
Adoption Assistance Program <sup>3</sup>				
Maximum Exclusion for Employer-Provided Program <sup>4</sup>	\$13,570	13,460	13,400	13,190
Adoption Tax Credit Limit	\$13,570	13,460	13,400	13,190
Modified Adjusted Gross Income Limits for Employer-Provided Adoption Assistance Program and Tax Credit				
Full credit if adjusted gross income below	\$203,540	201,920	201,010	197,880
Phased credit if adjusted gross income between	\$203,540 - \$243,540	201,920 - 241,920	201,010 - 241,010	197,880 - 237,880
No credit allowed for adjusted gross income above	\$243,540	241,920	241,010	237,880
Educational Assistance Programs				
Maximum nontaxable educational assistance benefit	\$5,250	5,250	5,250	5,250
Health Savings Accounts				
Contribution Limit per Individual	\$3,400	3,350	3,350	3,300
Contribution Limit per Family	\$6,750	6,750	6,650	6,550
Catch-up Contribution for Age 55 and Older	\$1,000	1,000	1,000	1,000
Out-of-pocket Maximum per Individual	\$6,550	6,550	6,450	6,350
Out-of-pocket Maximum per Family	\$13,100	13,100	12,900	12,700
Minimum Deductible per Individual	\$1,300	1,300	1,300	1,250
Minimum Deductible per Family	\$2,600	2,600	2,600	2,500
Highly Compensated Employee Compensation Exceeding	\$120,000	120,000	120,000	115,000
Key Employee Officer Compensation	\$175,000	170,000	170,000	170,000
Key Employee 1% Owner	\$150,000	150,000	150,000	150,000

<sup>1</sup> Credit may be adjusted based on the level of the taxpayer's adjusted gross income and is reduced by amounts excluded from income under a Dependent Care Reimbursement Account plan sponsored by an employer.

<sup>2</sup> The IRS announced parity in Transit and Parking limits on December 18, 2015. Increased limits were retroactively applied to 2015.

<sup>3</sup> An employer-sponsored Adoption Assistance Program may be a stand-alone program or contained in a Cafeteria Plan.

<sup>4</sup> If employer-sponsored Adoption Assistance Program is contained in a Cafeteria Plan, this is the maximum limit within the plan year.

