

# 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
<b>Combined Rate</b>	<b>15.30</b>	<b>15.30</b>	<b>15.30</b>	<b>15.30</b>	<b>13.30</b>
<b>Additional Medicare Tax on Wages above \$200,000 – Employee Only</b>	<b>.9*</b>	<b>.9*</b>	<b>.9*</b>	<b>.9*</b>	<b>.9*</b>

\*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.

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