
IRS Benefit Plan Limits for 2016

The Internal Revenue Service has announced contribution limits for retirement plan participants for 2016. As expected, most of the contribution limitations for retirement plans have not changed from the 2015 limits.

Some associated tax breaks and other items have changed for 2016. Here are the highlights:

- For an IRA contributor who is not covered by a workplace retirement plan and is married to someone who is covered, the deduction is phased out if the couple's income is between \$184,000 and \$194,000, up from between \$183,000 and \$193,000.
- The adjusted gross income phaseout range for taxpayers making contributions to a Roth IRA is now from \$184,000 to \$194,000 for married couples filing jointly, up from the previous \$183,000 to \$193,000 range. For singles and heads of household, the income phaseout range is from \$117,000 to \$132,000, up from the previous \$116,000 to \$131,000 range.

401(k) Plan Limits for Plan Year	2016 Limit	2015 Limit
401(k) Elective Deferral Limit ¹	\$18,000	\$18,000
Catch-Up Contribution ²	\$6,000	\$6,000
Defined Contribution Dollar Limit	\$53,000	\$53,000
Compensation Limit ³	\$265,000	\$265,000
Highly Compensated Employee Income Limit	\$120,000	\$120,000
Key Employee Officer Limit	\$170,000	\$170,000
Non-401(k) Limits		
403(b) Elective Deferral Limit ¹	\$18,000	\$18,000
Defined Benefit Dollar Limit	\$210,000	\$210,000
457 Employee Deferral Limit	\$18,000	\$18,000
SEP and SIMPLE IRA Limits		
SEP Minimum Compensation	\$600	\$600
SEP Maximum Compensation	\$265,000	\$265,000
SIMPLE Contribution Limit	\$12,500	\$12,500
SIMPLE Catch-Up Contribution ²	\$3,000	\$3,000
IRA and Roth Limits		
IRA and Roth Contribution Limit	\$5,500	\$5,500
Catch-Up Contribution ²	\$1,000	\$1,000

¹Employee deferrals to all 401(k) and 403(b) plans must be aggregated for purposes of this limit.

²Must be age 50 or older during the calendar year.

³All compensation from a single employer (including all members of a controlled group) must be aggregated for purposes of this limit.

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