

## Retirement Plan Benefit and Contribution Limits for 2016

The Internal Revenue Service has announced the contribution limits and thresholds for retirement plans for the Tax Year 2016. This chart summarizes the maximum contribution limits, as well as the thresholds for several important retirement plan parameters.

Type of Limitation or Threshold	2016	2015	2014
<b>401(k), 403(b), 457(b) or SAR-SEP maximum salary deferral</b>	\$18,000	\$18,000	\$17,500
<b>401(k), 403(b), 457(b) or SAR-SEP catch-up contributions for Age 50+</b>	\$6,000	\$6,000	\$5,500
<b>Maximum annual compensation</b>	\$265,000	\$265,000	\$260,000
<b>Defined Benefit Plan 415(b) dollar limit</b>	\$210,000	\$210,000	\$210,000
<b>Defined Contribution Plan 415(c) dollar limit</b>	\$53,000	\$53,000	\$52,000
<b>Minimum salary for highly compensated employees</b>	\$120,000	\$120,000	\$115,000
<b>Key employee officer compensation</b>	\$170,000	\$170,000	\$170,000
<b>Max balance in an employee stock ownership plan subject to 5-year dist. period</b>	\$1,070,000	\$1,070,000	\$1,050,000
<b>Amount used in determining the lengthening of the 5-year distribution period</b>	\$210,000	\$210,000	\$210,000
<b>Income subject to Social Security Tax</b>	\$118,500	\$118,500	\$117,000
<b>SEP-IRA and Profit Sharing Plan maximum deferral</b>	25% up to \$53,000 (20% if self-employed or partnership)	25% up to \$53,000 (20% if self-employed or partnership)	25% up to \$52,000 (20% if self-employed or partnership)
<b>SEP-IRA eligibility pay threshold</b>	\$600	\$600	\$550
<b>SIMPLE-IRA maximum deferral</b>	\$12,500	\$12,500	\$12,000
<b>SIMPLE-IRA catch-up for age 50+</b>	\$3,000	\$3,000	\$2,500
<b>Traditional and Roth IRA maximum deferral</b>	\$5,500	\$5,500	\$5,500
<b>Traditional and Roth IRA catch-up contributions for Age 50+</b>	\$1,000	\$1,000	\$1,000