

► Employee Benefit Plan Limits for 2017

Findley Davies | BPS&M is pleased to provide you the following 2017 limits (and comparable 2016 figures) for various employee benefit plans and Social Security.

Employee Benefit Plans	2016	2017
401(k) elective deferral dollar limit	\$ 18,000	\$ 18,000
403(b) elective deferral dollar limit ¹	\$ 18,000	\$ 18,000
457 eligible plan maximum deferral limit.....	\$ 18,000	\$ 18,000
401(k), 403(b), state and local government 457, and 408(p) catch-up elective deferral (must be at least age 50).....	\$ 6,000	\$ 6,000
Defined benefit plans - maximum annual benefit	\$ 210,000	\$ 215,000
Defined contribution plans - maximum annual addition.....	\$ 53,000	\$ 54,000
Annual compensation limit	\$ 265,000	\$ 270,000
Highly compensated employee ²	\$ 120,000	\$ 120,000
SIMPLE retirement accounts - maximum elective deferrals	\$ 12,500	\$ 12,500

Social Security	2016	2017
Social Security taxable wage base ³	\$ 118,500	\$ 127,200
Exempt earnings under the Social Security earnings test		
• Under Social Security retirement age (SSRA) ^{4,5}	\$ 15,720	\$ 16,920
• Year in which SSRA is attained ⁶	\$3,490/mo.	\$3,740/mo.
• SSRA and older.....	all	all

¹ May be increased by as much as \$3,000 in certain situations.

² Compensation threshold used to determine next year's HCEs.

³ Employers and employees each pay 6.2% Social Security tax on earnings up to this level. All earnings are subject to an additional 1.45% Medicare tax, which is also paid by both employers and employees. Medicare tax rate increases by .9% if the taxpayer's AGI exceeds: \$250,000 if filing a joint return; \$125,000 if married filing separately, and \$200,000 for any other filing status.

⁴ SSRA for those born 1943 through 1954 is 66. SSRA increases to age 67 for those with later birth years.

⁵ In general, \$1 of the Social Security benefit is lost for each \$2 of earnings over threshold before the year SSRA is attained.

⁶ In the year SSRA is attained, \$1 of the Social Security benefit is lost for each \$3 of earnings over the threshold during the months before the individual's SSRA occurs.

Part D Standard Benefit	<u>2016</u>	<u>2017</u>
Deductible	\$ 360	\$ 400
Initial Coverage Limit	\$ 3,310	\$ 3,700
Maximum out-of-pocket threshold	\$ 4,850	\$ 4,950
Spending before catastrophic coverage	\$7,062.50	\$ 7,425
Retiree drug subsidy (RDS) amounts		
Cost threshold	\$ 360	\$ 400
Cost limit.....	\$ 7,400	\$ 8,250

Health Savings Accounts	<u>2016</u>	<u>2017</u>
Minimum deductible to be a qualified high deductible health plan		
Self-only coverage.....	\$ 1,300	\$ 1,300
Family coverage	\$ 2,600	\$ 2,600
Maximum annual HSA contribution (excluding catch-up contribution)		
Self-only coverage.....	\$ 3,350	\$ 3,400
Family coverage	\$ 6,750	\$ 6,750
Annual catch-up contribution for individuals age 55 or older (per person).....		
	\$ 1,000	\$ 1,000
Out-of-pocket maximums		
Self-only coverage.....	\$ 6,550	\$ 6,550
Family coverage	\$ 13,100	\$ 13,100

For More Information

If you have questions or would like more information about the new employee benefit plan limits, or to obtain historical information, please visit www.findleydavies.com or contact Jason Rothman at 216.875.1907 or jrothman@findleydavies.com.