



Chapel & Collins, LLC
An Independent Registered
Investment Advisor
Donna R. Chapel, CPA/CFP®
375 East Horsetooth Road
Building 4, Suite 100
Fort Collins, CO 80525
970-204-1376
Donna.chapel@raymondjames.com
www.chapelcollins.com

Retirement Plan and IRA Limits for 2012

January 18, 2012

RAYMOND JAMES®

Retirement Plan and IRA Limits for 2012

Many retirement plan and IRA limits are indexed for inflation each year. Some of the key numbers for 2012 are discussed below.

Elective deferrals

If you're lucky enough to be eligible to participate in a 401(k), 403(b), 457(b), or SAR-SEP plan, you can make elective deferrals of up to \$17,000 in 2012, up from \$16,500 in 2011. If you're age 50 or older, you also can make a catch-up contribution of up to \$5,500 to these plans in 2012 (unchanged from 2011). (Special catch-up limits apply to certain participants in 403(b) and 457(b) plans.)

If your 401(k) or 403(b) plan allows Roth contributions, your total elective contributions, pretax and Roth, can't exceed \$17,000 (\$22,500 with catch-up contributions). You can split your contribution any way you wish. For example, you can make \$10,000 of Roth contributions and \$7,000 of pretax 401(k) contributions. It's up to you.

If you participate in a SIMPLE IRA or SIMPLE 401(k) plan, you can contribute up to \$11,500 in 2012 (unchanged from 2011). If you're age 50 or older, the maximum catch-up contribution to a SIMPLE IRA or SIMPLE 401(k) plan in 2012 is \$2,500 (unchanged from 2011).

Contribution limits: 2012 tax year*

Plan type	Annual dollar limit	Catch-up limit
401(k), 403(b), govt. 457(b) plans	\$17,000	\$5,500
SIMPLE plans	\$11,500	\$2,500
Traditional and Roth IRAs	\$5,000	\$1,000

*Contributions can't exceed 100% of your income. Special catch-up rules apply to 403(b) and governmental 457(b) plans.

IRA limits remain the same for 2012

The amount you can contribute to a traditional or Roth IRA remains at \$5,000 (or 100% of your earned income, if less) for 2012, and the maximum catch-up contribution for those age 50 or older remains at \$1,000. You can contribute to an IRA in addition to an employer-sponsored retirement plan. But if you (or your spouse) participate in an employer-sponsored plan, your ability to deduct

traditional IRA contributions may be limited, depending on your income. Roth contributions are also subject to income limits.

Some other key numbers for 2012

For 2012, the maximum amount of compensation your employer can take into account when calculating contributions and benefits in qualified plans (and certain other plans) is \$250,000 (up from \$245,000 in 2011).

The maximum annual benefit you can receive from a defined benefit pension plan is limited to \$200,000 in 2012 (up from \$195,000 in 2011).

And the maximum amount that can be allocated to your account in a defined contribution plan (for example, a 401(k) plan or profit-sharing plan) in 2012 is \$50,000 (up from \$49,000 in 2011), plus age-50 catch-up contributions. (This includes both your contributions and your employer's contributions. Special rules apply if your employer sponsors more than one retirement plan.)

Income phaseout range for determining deductibility of traditional IRA contributions in 2012



A number of retirement plan and IRA limits are indexed for inflation each year. Many of the

1. Covered by an employer plan**Single/head of household**

\$58,000-\$68,000 (\$56,000-\$66,000 for 2011)

Married filing jointly

\$92,000-\$112,000 (\$90,000-\$110,000 for 2011)

Married filing separately

\$0-\$10,000

2. Not covered by an employer plan, but filing joint return with a spouse who is covered

\$173,000-\$183,000 (\$169,000-\$179,000 for 2011)

Income phaseout range for determining ability to fund Roth IRA in 2012**Single/head of household**

\$110,000-\$125,000 (\$107,000-\$122,000 for 2011)

Married filing jointly

\$173,000-\$183,000 (\$169,000-\$179,000 for 2011)

Married filing separately

\$0-\$10,000

limits have increased for 2012.