

December 2016

Certain limitations and base amounts may be adjusted each year. Some of the adjustments are as follows:

	<u>2017</u>	<u>2016</u>	<u>2015</u>
401(k) deferral limit	\$18,000/*24,000	\$18,000/*24,000	\$18,000/*24,000
SIMPLEs	\$12,500/*15,500	\$12,500/*15,500	\$12,500/*15,500
IRAs	\$5,500/*6,500	\$5,500/*6,500	\$5,500/*6,500
Compensation limit for qualified plan & SEP	\$270,000	\$265,000	\$265,000
Defined contribution annual addition limitation	\$54,000	\$53,000	\$53,000
Employer deduction percentage limit	25%	25%	25%
Social Security wage base	\$127,200	\$118,500	\$118,500
Social Security tax rate – Employer & Employee	6.2%	6.2%	6.2%
Medicare wage base	Unlimited	Unlimited	Unlimited
Medicare tax rate - Employer	1.45%	1.45%	1.45%
Medicare tax rate - Employee	1.45%-2.35%**	1.45%-2.35%**	1.45%-2.35%**
Minnesota unemployment tax wage base	\$32,000	\$31,000	\$30,000
Social Security limit on outside earnings			
Under full retirement age	\$16,920	\$15,720	\$15,720
Retirement age or older	Unlimited	Unlimited	Unlimited
Automobile mileage rates			
Business miles	\$0.535	\$0.54	\$0.575
Charitable miles	\$0.14	\$0.14	\$0.14
Medical miles or moving miles	\$0.17	\$0.19	\$0.23
Health Savings Accounts Contribution Limits			
Self-coverage maximum	\$3,400	\$3,350	\$3,350
Family coverage maximum	\$6,750	\$6,750	\$6,650
Catch-up contribution if 55 or older	\$1,000	\$1,000	\$1,000
Estate			
Federal estate tax exemption	\$5,490,000+	\$5,450,000+	\$5,430,000+
MN estate tax exemption	\$1,800,000	\$1,600,000	\$1,400,000
Annual gift exclusion	\$14,000	\$14,000	\$14,000

* Higher limit if you are at least 50 years old by the end of the year

** Higher rate on wages in excess of \$200,000 (\$250,000 MFJ/\$125,000 MFS)

+ Plus Portability from deceased spouse (DSUEA)

If you have any questions, do not hesitate to call. Thank you for giving us the opportunity to serve you.