

# ESTATE PLANNING LEGAL ALERT

## 2015 Tax Update: Your Retirement Plan

By: Timothy M. White, LL.M.

Next year taxpayers will be able to put more into their 401(k)s, 403(b)s, and most 457 plans. The IRS recently announced, in IR-2014-99, cost-of-living adjustments to the limits on tax-deferred contributions to retirement plans, as well as other changes related to retirement benefits. For the 2015 tax year, employees will be able to contribute (as part their elective deferral) up to \$18,000 (increased from \$17,500 in 2014). In addition, the limitation of catch-up contribution to 401(k)s, 403(b)s, and most 457 plans for those 50 or older will rise \$500, from \$5,500 in 2014 to \$6,000 in 2015. Other changes include:

- Annual Contribution limit for defined contribution plans under 415(c)(1)(A)—from \$52,000 (2014) to \$53,000 (2015)
- The phaseout limitation for making contributions to Roth IRAs (married filing jointly) goes from \$181,000 - \$191,000 (2014) to \$183,000-\$193,000 (2015)
- Annual compensation limit under 401(a)(17), 404(1), 408(k)(3)(C) and 408(k)(6)(D)(ii)—from \$260,000 (2014) to \$265,000 (2015)
- Limit for determining excess employee compensation [430(c)(7)(D)(i)(II)] for single-employer defined benefit pension plans—with a special 430(c)(2)(D) election—from \$1,084,000 (2014) to \$1,101,000 (2015)
- Phaseout limit on modified AGI for deductions for traditional IRA contributions by:
  1. Individuals and heads of households (with workplace retirement plan)—from \$60,000 - \$70,000 (2014) to \$61,000 - \$71,000 (2015), and
  2. Married/jointly—from \$96,000 to \$116,000 (2014) to \$98,000 - \$118,000 (2015)

A few items remain the same, including:

- Annual benefit limit for a defined benefit plan under 415(b)(1)(A)—remains \$210,000
- Annual contribution limit for IRAs—remains \$5,500
- Annual compensation limit for “key employees” in top-heavy plans—remains \$170,000

If you have questions about the new 2015 limits on retirement plan contributions, or on another tax issue or matter, please contact attorney Tim White or one of our tax attorneys.

If you'd like to read the full IR-2014-99 please visit the IRS website at [www.irs.gov](http://www.irs.gov).



*Tim White focuses in the areas of estate planning, trusts, probate litigation, business law and agribusiness (including equine law). He can be contacted at 231.486.4512 or [twhite@shrr.com](mailto:twhite@shrr.com).*