



GRINKMEYER  
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## Communication Corner Newsletter - December 2014

### **2015 Annual Limits**

Every year the Internal Revenue Service reviews contribution limits for qualified plans and individual retirement accounts among other things to determine a cost-of-living adjustment. Here is a breakdown of the contribution limits for 2015..

#### **Elective Deferrals**

The elective deferral limits for employees who participate in qualified plans, including 401(k) and 403(b) plans, increased to \$18,000 for 2015 (up from \$17,500 in 2014).

#### **Catch-Up Contributions**

For those employees age 50 and over that participate in a qualified plan, including 401(k) and 403(b) plans, the limit was increased to \$6,000 for 2015 (up from \$5,500 in 2014). Please note catch-up can apply when you have reached the elective deferral limit of \$18,000.

#### **Individual Retirement Account (IRA) Contribution**

The limit on annual contributions to an IRA remains at \$5,500 for 2015. For individuals 50 and over, the additional catch-up contribution remains at \$1,000 and is not subject to annual cost of living adjustment.

#### **IRA Phase Out**

For single and heads of households covered by a employer sponsored retirement plan contributions to a traditional IRA are phased out for modified adjusted gross incomes (AGI) between \$61,000 - \$71,000 (up from \$60,000 - \$70,000 in 2014).

For married couples who file jointly, if the spouse who makes the IRA contribution is covered by a employer sponsored retirement plan, the income phase out range is \$98,000 - \$118,000 (up from \$96,000 - \$116,000 in 2013).

#### **Adjusted Gross Income Phase Out Ranges - Roth**

For single and heads of households making contributions to a Roth IRA, the income phase out range is \$116,000 - \$131,000 (up from \$114,000 - \$129,000 in 2013).

For married couples who file jointly making contributions to a Roth IRA, the income phase out range is \$183,000 - \$193,000 (up from \$181,000 - \$191,000 in 2014).

#### **Want to Learn More About Saving within the Limits?**

As the Financial Advisors who help represent the participants in your company's retirement plan, we're here to help start or enhance your road to retirement! If you'd like to learn more about how Grinkmeyer Leonard Financial can help you, contact us today or visit us online at [www.retirementplanready.com](http://www.retirementplanready.com).



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