Important Note

- Reminder: Fair Market Valuation forms should be returned to Kingdom Trust by Monday, January 9, 2017.

KINGDOM comments

New IRA Rules for 2017

By Jeremy Byars, VP Communication and Eduation

Retirement account holders may have reasons to rejoice in 2017, per IRS Notice 2016-62. While the contribution limits for most retirement accounts will stay the same in 2017, some accounts will see a slight increase in their contribution limits. Additionally, income limits and cutoffs for some retirement savers will be higher in the new year.

In 2017, Traditional IRA and Roth IRA contribution limits will remain at $5,500, with an additional $1,000 allowed for those 50 or over. SIMPLE IRA employee contribution limits are also unchanged. Employee contributions to those accounts may not exceed $12,500 (or $15,500 for those 50 or over).

401(k) and 403(b) plans will maintain a salary deferral limit of $18,000, with an additional $6,000 for those 50 or older. This limit is aggregated for these two types as well as SIMPLE IRAs, SIMPLE 401(k) plans and SARSEPs. Click here to learn more about how much you, the employee, can defer if you're eligible for more than one of these plans.

However, if you hold a SEP IRA or Solo 401(k), your account will see its employer contribution limit increase to $54,000 (a $1,000 increase). This amount may not exceed 25% of your compensation.

Those with a 401(k) plan and earning up to $62,000 (or $99,000 for married couples) can defer paying taxes on IRA contributions up to the contribution limit in 2017. The phase out range for the tax deduction is from $62,000 to $72,000 (or $99,000 to $119,000 for married couples). An individual without a 401(k) but who is married to a 401(k)-plan participant has an income threshold of $186,000 to $196,000.

If you or your spouse do not participate in a 401(k) plan, then you may deduct IRA contributions in full--up to the contribution limit, of course.

In addition, Roth IRA eligibility limits will increase in 2017. You can earn an additional $1,000 (or $2,000 for married couples) to remain eligible. Single individuals with a modified adjusted gross income (MAGI) of less than $118,000 (or $186,000 for couples) may make Roth IRA contributions. The phase out ends at $133,000, or $196,000 for couples.

As we mentioned in a recent blog post, retirement account holders affected by Hurricane Matthew may also be able to take hardship distributions and loans through part of 2017 to assist with storm-related expenses. Certain restrictions apply, including but not limited to the type of retirement account held. Please see our recent post about this relief.

One final change is perhaps the most notable. The new fiduciary rule is slated to go into effect in April, which means that financial professionals providing advice on retirement plans will then be legally required to provide advice solely in the best interest of the client. This would affect retirement account holders of all shapes and sizes, from IRA holders to those in large workplace retirement plans. For more on this new "conflict-of-interest" rule, read our post on five takeaways from the new fiduciary rule.

Kingdom Trust will make every effort to keep our clients and website visitors up to date on changes like this so you may be aware of how they might affect your retirement savings.

NEWS and events

The Problem with Self-Dealing in Retirement Accounts

"Self-dealing" is an often-discussed concept in retirement investing. This is especially true when the conversation includes self-directed retirement accounts. Your retirement plan is supposed to benefit you upon retirement. You are not to benefit prior to retirement. Any such benefit could result in a prohibited transaction.

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Could Taxes Take a Bite Out of Your Retirement?

Have you and your tax professional determined how much of your income will be taxable during your retirement years? This is an important determination to make. Isolating how much of your retirement income must be diverted for taxes will give you a clearer picture of how much money you'll actually have during retirement!

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2017 Contribution Limits for Retirement Plans

At the start of every tax year, it's important to remember your retirement account contribution limits. While most 2017 contribution limits remain at 2016 limits, two account types will see slight increases. Read out latest blog post to see if your are able to contribute more to your IRA in 2017!

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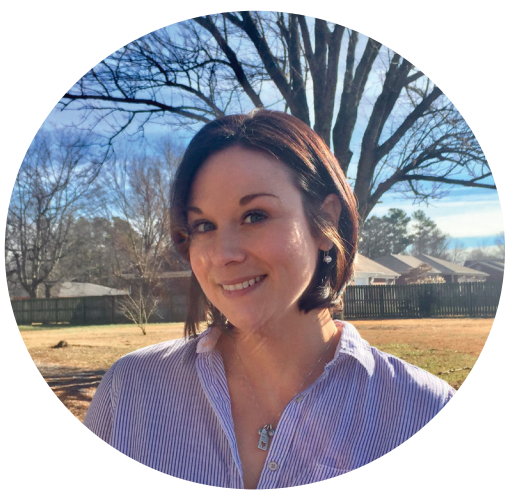
CROWNING achiever



Jennifer Vance - Institutional Client Services

Jennifer began her career with Kingdom Trust in the Service Department. Her hard work and dedication proved her capability to expand within the company. When she isn't managing Kingdom Trust's institutional relationships, you will most likely find her seeking her next adventure. Jennifer is a self-proclaimed foodie, outdoor enthusiast and game show expert.

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