

Retirement Plan 2012 Inflation Adjustments

Although most seniors are no longer setting aside money for retirement, those who work with seniors are. And, each year the amount that we can set aside is adjusted for inflation. The IRS recently announced the 2012 inflation adjustments.¹ Here are some of the highlights that might affect Certified Senior Advisors:

IRAs

Contribution limits are the same as for 2011 (\$5,000 plus \$1,000 catch-up amount if over age 50).

Deductible amount for Traditional IRA if an active participant in an employer-sponsored plan:

Traditional IRA Deduction Phase-Out For Active Participants		
Filing Status	2011	2012
Single	\$56,000-\$66,000	\$58,000-\$68,000
Married filing jointly	\$90,000-\$110,000	\$92,000-\$112,000
Married filing separately	\$0-\$10,000	\$0-\$10,000
Spousal IRA	\$169,000-\$179,000	\$173,000-\$183,000

Contribution limitations for Roth IRA if an active participant in an employer-sponsored plan:

Roth IRA Contribution Phase-Out For Active Participants		
Filing Status	2011	2012
Single	\$107,000-\$122,000	\$110,000-\$125,000
Married filing jointly	\$169,000-\$179,000	\$173,000-\$183,000

Employer-sponsored plans

The contribution limit for employees participating in 401(k), 403(b), etc. is increased to \$17,000 (from \$16,500 in 2011). Employees over age 50 may contribute an additional \$5,500 in 2012 (unchanged from 2011).

Information provided by Frank Vidin, CFP, CSA, financial and non-profit consultant and CSA faculty member.

¹ IR-2011-103, Oct 20, 2011