



## IRS Announces 2012 Dollar Limits and COLA Increases Affecting Benefits Plans

### LEGISLATIVE BRIEF

October 25, 2011

On October 20, 2011, the IRS issued its annual announcements specifying the dollar limits and COLA increases affecting numerous tax provisions and social security changes for the upcoming tax year (i.e., the 2012 calendar year).

#### HIGHLIGHTS INCLUDE:

|   |                                       |
|---|---------------------------------------|
| <b>HCE Threshold</b>  | \$115,000 (up from \$110,000 in 2011) |
| <b>Maximum Elective Deferral</b><br>(401(k), 403(b), most 457 plans)                    | \$17,000 (up from \$16,500 in 2011)   |
| <b>Catch-Up Contributions</b><br>(for those over age 50)                                | \$5,500 (unchanged from 2011)         |
| <b>IRA Contribution Limit</b>   | \$5,000 (unchanged from 2011)         |
| <b>IRA Catch-Up Contributions</b>   | \$1,000 (unchanged from 2011)         |
| <b>SS Taxable Wage Base</b><br>(OASDI only, no limit on wage base for Medicare portion) | \$110,100 (up from \$106,800 in 2011) |
| <b>Qualified Transportation benefit</b>   |                                       |
| Monthly Parking   | \$240 (up from \$230 in 2011)         |
| Commuter Van  | \$125 (down from \$230 in 2011)       |
| <b>Dependent Exemption</b>  | \$3,800 (up from \$3,700 in 2011)     |
| <b>Standard Deduction</b><br>Married filing jointly                                     | \$11,900 (up from \$11,600 in 2011)   |
| <b>Standard Deduction</b><br>Singles and married filing separately                      | \$ 5,950 (up from \$5,800 in 2011)    |
| <b>Standard Deduction</b><br>Head of household  | \$ 8,700 (up from \$8,400 in 2011)    |

Complete details can be obtained from the following government sites:

- [IRS New Release IR-2011-103](#)
- [COLA Increases for Dollar Limitations on Benefits and Contributions](#)
- [IRS News Release IR-2011-104](#)
- [Tax Information](#)
- [Facts Sheet on 2012 Social Security Changes](#)

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If you have questions, contact [Lisa-Klinger@Leavitt.com](mailto:Lisa-Klinger@Leavitt.com).

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