

2012 Contribution Limits have been increased.

On October 20, 2012, the IRS announced cost-of-living adjustments (COLAs) affecting the dollar limits for pension plans and other retirement-related plans for the 2012 tax year. Many of the retirement and pension plan limitations will change next year because the cost-of-living index met the statutory thresholds that trigger the adjustment. Among the changes, the 402(g) elective deferral contribution limit for employees who participate in 403(b)/401(k) plans has increased from \$16,500 to \$17,000. The catch-up contribution limit for those ages 50 and over remains unchanged at \$5,500.

The maximum amount you may defer to the 401(k)/403b (combined total) or 457 plans from your salary is 100% of your includible compensation as defined by the Internal Revenue Code or the amount listed below, whichever is less. 2012 Standard Contribution Limit for under age 50 is \$17,000.00. If Age 50+, the limit has an additional amount of \$5,500.00 you may contribute, for a total \$ 22,500.00.

Participants in the 457 plan have another opportunity to catch up and contribute more during the final years of their career. "Standard Catch-Up" allows participants in the three calendar years prior to normal retirement age to contribute more to the 457 plan (up to double the annual contribution limit—\$34,000 in 2012). The additional amount that you may be able to contribute under the Standard Catch-Up option will depend upon the amounts that you were able to contribute in previous years but did not. The Standard Catch-up and the Age 50+ Catch-Up cannot be used in the same tax year. Please contact Great-West **(800) 922-7772** for more information.

Please continue to save through your 401(k)/403b, and 457 deferred compensation retirement savings plans. Forms may be found online @ <http://humanresources.tennessee.edu/benefits/> or by contacting Benefits & Retirement Office @ (865) 946-8847 or 888-444-8847 statewide.

Link to IRS website for more detailed information?

[401k](#)

[403b](#)

[457](#)