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HAS BEEN LOWER -
Inflation (as measured by the Consumer Price Index) advanced by +2.1% during 2016. Inflation in 2015 (+0.7%) and 2014 (+0.8%) were 2 of the 3 lowest rates of annual inflation in the United States in the last 50 years, i.e., 1967-2016 (source: Department of Labor).

IMPACT ON OUR INTEREST RATES? -
China has cut its holdings of US Treasuries to \$1.05 trillion as of November 2016, its lowest level since May 2010. Since peaking at \$1.32 trillion in November 2013, the Chinese have sold \$267 billion of Treasuries in an effort to support its own currency (source: Treasury Department).

NOT NEEDED - Chuck Grassley (R-IA), the Chairman of the Senate Judiciary Committee, did not go to law school. Grassley is the 1st chair of the committee in history not to have a law degree (source: Congress)

These are the views of James Steen & Jason Pearson. No independent analysis has been performed and the material should not be construed as investment advice.

Investment decisions should not be based on this material since the information contained here is a singular update, and prudent investment decisions require the analysis of a much broader collection of facts and context. All information is believed to be from reliable sources; however, we make no representation as to its completeness or accuracy.



The Internal Revenue Service has announced cost-of-living adjustments affecting dollar limitations for pension plans and other retirement-related items for tax year 2017. The income ranges for determining eligibility to make deductible contributions to traditional Individual Retirement Arrangements (IRAs), to contribute to Roth IRAs, and to claim the saver's credit all increased for 2017.

The highlights of limitations that changed from 2016 to 2017 include the following:

- For an IRA contributor who is not covered by a workplace retirement plan and is married to someone who is covered, the deduction is phased out if the couple's income is between \$186,000 and \$196,000, up from \$184,000 and \$194,000.
- The AGI phase-out range for taxpayers making contributions to a Roth IRA is \$186,000 to \$196,000 for married couples filing jointly, up from \$184,000 to \$194,000. For singles and heads of household, the income phase-out range is \$118,000 to \$133,000, up from \$117,000 to \$132,000.
- For single taxpayers covered by a workplace retirement plan, the phase-out range is \$62,000 to \$72,000, up from \$61,000 to \$71,000.
- For married couples filing jointly, where the spouse making the IRA contribution is covered by a workplace retirement plan, the phase-out range is \$99,000 to \$119,000, up from \$98,000 to \$118,000.
- The AGI limit for the saver's credit (also known as the retirement savings contribution credit) for low and moderate-income workers is \$62,000 for married couples filing jointly, up from \$61,500; \$46,500 for heads of household, up from \$46,125; and \$31,000 for married individuals filing separately and for singles, up from \$30,750.

The highlights of limitations that remain unchanged from 2016 include the following:

- The elective deferral (contribution) limit for employees who participate in 401(k), 403(b), most 457 plans, and the federal government's Thrift Savings Plan remains unchanged at \$18,000.
- The catch-up contribution limit for employees aged 50 and over who participate in 401(k), 403(b), most 457 plans, and the federal government's Thrift Savings Plan remains unchanged at \$6,000.
- The limit on annual contributions to an Individual Retirement Arrangement (IRA) remains unchanged at \$5,500. The additional catch-up contribution limit for individuals aged 50 and over is not subject to an annual cost-of-living adjustment and remains \$1,000.
- The AGI phase-out range for a married individual filing a separate return who makes contributions to a Roth IRA is not subject to an annual cost-of-living adjustment and remains \$0 to \$10,000.
- The limitation under Section 408(p)(2)(E) regarding SIMPLE retirement accounts remains unchanged at \$12,500.

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