

2016 Maximum Contributions for the Tax Sheltered Annuity 403(b) Program and the Wisconsin Deferred Compensation (Section 457) Program

The IRS has announced cost-of-living adjustments affecting dollar limitations for contributions made to the Tax Sheltered Annuity (TSA) 403(b) and the Wisconsin Deferred Compensation (WDC) 457(b) programs for tax year 2016. While some pension limitations will increase, other limits remain unchanged.

University of Wisconsin employees may contribute a maximum of \$18,000 to the Tax Sheltered Annuity (TSA) 403(b) **and** \$18,000 to the Wisconsin Deferred Compensation (WDC) programs. Employees age 50 and over during the 2016 calendar year may contribute an additional \$6,000 to each of these programs.

A special TSA 403(b) provision may allow you to contribute more than this amount:

- If you have 15 years or more of service with the UW, you may have an additional catch-up opportunity allowing you to contribute an additional \$3,000 per year to a cumulative maximum of \$15,000 over five or more years.
- This is a true catch-up opportunity available only to those who have not contributed the full amount in the past. The additional amount is permitted only if your TSA 403(b) contributions averaged less than \$5,000 per year over the course of your UW employment.
- Check with your [campus benefits office](#) to see if you qualify to contribute this additional amount.

If you are currently enrolled in the TSA program, you can easily change your contributions by submitting a new [Salary Reduction Agreement \(SRA\)](#). After you complete and print the form, submit a signed and dated form to your department payroll and benefits office. TSA 403(b) enrollment information is located online at: <https://www.wisconsin.edu/ohrwd/benefits/ret/tsa/>

To change your TSA 403(b) contribution for 2016, your Salary Reduction Agreement (SRA) *must be submitted in **early December 2015***. Clearly mark the SRA form as **Calendar Year 2016**.

For WDC enrollment information or to change your WDC deferral amount, visit the following web pages: http://etf.wi.gov/members/benefits_def_comp.htm | <http://www.wdc457.org/>

WDC changes *must be made with the GWFS Equities, Inc. in **early December 2015***, so that they have adequate time to electronically remit the information to the UW payroll office.

If you want to maximize your 2016 contributions, file timely and use the following Amounts per Paycheck table as a guide. **Note: No deductions are taken during the summer for employees paid on an academic year basis** (9 paychecks annually).

Number of Paychecks Annually	2016 Annual Maximum	2016 Amount per Paycheck*
9 paychecks (under age 50)	\$ 18,000.00	\$ 2,000.00
9 paychecks (age 50 and over)	\$ 24,000.00	\$ 2,666.66
12 paychecks (under age 50)	\$ 18,000.00	\$ 1,500.00
12 paychecks (age 50 and over)	\$ 24,000.00	\$ 2,000.00
26 paychecks (under age 50)	\$ 18,000.00	\$ 692.30
26 paychecks (age 50 and over)	\$ 24,000.00	\$ 923.07

*Amounts per Paycheck are rounded down to avoid exceeding the allowed annual maximum.

IRS sources: [IRS Announces 2016 Pension Plan Limitations](#) | [COLA Increases for Dollar Limitations on Benefits and Contributions](#) | www.irs.gov