

ALERT

IRS Announces Retirement Plan Limitations

DOLLAR LIMITATIONS ON BENEFITS AND CONTRIBUTIONS FOR RETIREMENT PLANS UNCHANGED

On October 15, 2009, the IRS announced the 2010 cost-of-living adjustments applicable to dollar limitations for retirement plans and other items. The limits remain the same as they were in 2009.

Retirement plans are subject to annually adjusted dollar limitations by the IRS for cost-of-living increases, and are normally determined based on inflation data provided by the Bureau of Labor Statistics' release of the Consumer Price Index. Effective January 1, 2010, the following limitations apply (comparison to previous years also shown):

401(k) Plan Limits	2010	2009	2008	2007	2006
401(k) Elective Deferrals	\$16,500	\$16,500	\$15,500	\$15,500	\$15,000
Catch-Up Contribution Limit	\$5,500	\$5,500	\$5,000	\$5,000	\$5,000
Annual Defined Contribution Limit	\$49,000	\$49,000	\$46,000	\$45,000	\$44,000
Annual Compensation Limit	\$245,000	\$245,000	\$230,000	\$225,000	\$220,000
Highly Compensated Employees	\$110,000	\$110,000	\$105,000	\$100,000	\$100,000
Non 401(k) Related Limits					
403(b) / 457 Elective Deferrals	\$16,500	\$16,500	\$15,500	\$15,500	\$15,000
SIMPLE Employee Deferrals	\$11,500	\$11,500	\$10,500	\$10,500	\$10,000
SIMPLE Catch-Up Deferral	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500
SEP Minimum Compensation	\$550	\$550	\$500	\$500	\$450
SEP Annual Compensation Limit	\$245,000	\$245,000	\$230,000	\$225,000	\$220,000
Defined Benefit Plan Limit	\$195,000	\$195,000	\$185,000	\$180,000	\$175,000
Social Security Wage Base	\$106,800	\$106,800	\$102,000	\$97,500	\$94,200



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For assistance or questions related to applying the 2010 retirement plan limitations, or any other retirement plan issues, please contact Catherine Beaver at 904.396.4015 or CBeaver@TheLBAGroup.com.



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