

## Employee Benefits & Executive Compensation Client Service Group

To: Our Clients and Friends

October 15, 2009

### Qualified Plan Limits

The IRS has announced its 2010 cost-of-living adjustments for retirement plans in a press release dated October 15, 2009. The chart below reflects the qualified plan limits for calendar years 2007 - 2010.

Type of Limitation	2010 <sup>1/</sup>	2009	2008	2007
Elective Deferrals (401(k) and 403(b); not including adjustments and catch-ups)	\$16,500	\$16,500	\$15,500	\$15,500
457(b)(2) and 457(c)(1) Limits (not including catch-ups)	\$16,500	\$16,500	\$15,500	\$15,500
Section 414(v) Catch-Up Deferrals to 401(k), 403(b), 457(b), or SARSEP Plans <sup>2/</sup>	\$5,500	\$5,500	\$5,000	\$5,000
SIMPLE 401(k) or regular SIMPLE plans, Catch-Up Deferrals	\$2,500	\$2,500	\$2,500	\$2,500
415 limit for Defined Benefit Plans	\$195,000	\$195,000	\$185,000	\$180,000
415 limit for Defined Contribution Plans	\$49,000	\$49,000	\$46,000	\$45,000
Annual Compensation Limit	\$245,000	\$245,000	\$230,000	\$225,000
Annual Compensation Limit for Grandfathered Participants in Governmental Plans Which Followed 401(a)(17) Limits (With Indexing) on July 1, 1993	\$360,000	\$360,000	\$345,000	\$335,000
Highly Compensated Employee 414(q)(1)(B)	\$110,000	\$110,000	\$105,000	\$100,000
Key employee in top heavy plan (officer)	\$160,000	\$160,000	\$150,000	\$145,000
SIMPLE Salary Deferral	\$11,500	\$11,500	\$10,500	\$10,500
Tax Credit ESOP Maximum balance	\$985,000	\$985,000	\$935,000	\$915,000
Amount for Lengthening of 5-Year ESOP Period	\$195,000	\$195,000	\$185,000	\$180,000
Taxable Wage Base	\$106,800	\$106,800	\$102,000	\$97,500
FICA Tax for employees and employers	7.65%	7.65%	7.65%	7.65%
Social Security Tax for employees and employers	6.2%	6.2%	6.2%	6.2%
Medicare Tax for employees and employers	1.45%	1.45%	1.45%	1.45%

<sup>1/</sup> Reflects issuance of IRS News Release IR-2009-094 (October 15, 2009)

<sup>2/</sup> This number is only the catch-up available under Code Section 414(v). Code Sections 457(b)(3) and 402(g) provide separate catch-up rules, which must also be considered in appropriate cases.