

## IRS Announces COLA Adjustments to Retirement Plan Limitations for 2010

Effective date: January 1, 2010

### MAXIMUM DOLLAR LIMITS

	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
401(k) & 403(b) Elective Deferrals (IRC § 402(g)(1))	\$16,500	\$16,500	\$15,500	\$15,500	\$15,000	\$14,000	\$13,000	\$12,000	\$11,000	\$10,500	\$10,500	\$10,000	\$10,000	\$9,500
Catch-Up Elective Deferrals (IRC § 414(v)(2)(B)(i))	\$5,500	\$5,500	\$5,000	\$5,000	\$5,000	\$4,000	\$3,000	\$2,000	\$1,000	N/A	N/A	N/A	N/A	N/A
Defined Benefit Plan Benefit (IRC § 415(b)(1)(A))	\$195,000	\$195,000	\$185,000	\$180,000	\$175,000	\$170,000	\$165,000	\$160,000	\$160,000	\$140,000	\$135,000	\$130,000	\$130,000	\$125,000
Defined Contribution Plan Contribution (IRC § 415(c)(1)(A))	\$49,000	\$49,000	\$46,000	\$45,000	\$44,000	\$42,000	\$41,000	\$40,000	\$40,000	\$35,000	\$30,000	\$30,000	\$30,000	\$30,000
Annual Compensation Limit (IRC § 401(a)(17) and IRC § 404(l))	\$245,000	\$245,000	\$230,000	\$225,000	\$220,000	\$210,000	\$205,000	\$200,000	\$200,000	\$170,000	\$170,000	\$160,000	\$160,000	\$160,000
Special Compensation Limit for Government Plans*	\$360,000	\$360,000	\$345,000	\$335,000	\$325,000	\$315,000	\$305,000	\$300,000	\$295,000	\$285,000	\$275,000	\$270,000	\$265,000	*
457(b) Deferral (IRC § 457(e)(15))	\$16,500	\$16,500	\$15,500	\$15,500	\$15,000	\$14,000	\$13,000	\$12,000	\$11,000	\$8,500	\$8,000	\$8,000	\$8,000	\$7,500
Highly Compensated Employee (IRC § 414(q)(1)(B)**)	\$110,000	\$110,000	\$105,000	\$100,000	\$100,000	\$95,000	\$90,000	\$90,000	\$90,000	\$85,000	\$85,000	\$80,000	\$80,000	\$80,000
SIMPLE Plan Deferral (IRC § 408(p)(2)(E))	\$11,500	\$11,500	\$10,500	\$10,500	\$10,000	\$10,000	\$9,000	\$8,000	\$7,000	\$6,500	\$6,000	\$6,000	\$6,000	\$6,000
SIMPLE Plan Catch-Up Elective Deferrals (IRC § 414(v)(2)(B)(ii))	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,000	\$1,500	\$1,000	\$500	N/A	N/A	N/A	N/A	N/A
SEP Coverage (IRC § 408(k)(2)(C))	\$550	\$550	\$500	\$500	\$450	\$450	\$450	\$450	\$450	\$450	\$450	\$400	\$400	\$400
SEP Compensation (IRC § 408(k)(3)(C) and IRC § 408(k)(6)(D)(ii))	\$245,000	\$245,000	\$230,000	\$225,000	\$220,000	\$210,000	\$205,000	\$200,000	\$200,000	\$170,000	\$170,000	\$160,000	\$160,000	\$160,000
Tax Credit ESOP Maximum Balance (IRC § 409(o)(1)(C)(iii))	\$985,000	\$985,000	\$935,000	\$915,000	\$885,000	\$850,000	\$830,000	\$810,000	\$800,000	\$780,000	\$755,000	\$735,000	\$725,000	\$710,000
Amount for Lengthening of 5-year ESOP Period	\$195,000	\$195,000	\$185,000	\$180,000	\$175,000	\$170,000	\$165,000	\$160,000	\$160,000	\$155,000	\$150,000	\$145,000	\$145,000	\$140,000
PBGC Monthly Maximum Guarantee	***	\$4,500	\$4,312.50	\$4,125	\$3,971.59	\$3,801.14	\$3,698.86	\$3,664.77	\$3,579.55	\$3,392.05	\$3,221.59	\$3,051.14	\$2,880.68	\$2,761.36
Social Security Tax Wage Base	\$106,800	\$106,800	\$102,000	\$97,500	\$94,200	\$90,000	\$87,900	\$87,000	\$84,900	\$80,400	\$76,200	\$72,600	\$68,400	\$65,400
Key Employee Officer Compensation (IRC § 416(l)(1)(A)(i))	\$160,000	\$160,000	\$150,000	\$145,000	\$140,000	\$135,000	\$130,000	\$130,000	\$130,000	N/A	N/A	N/A	N/A	N/A
FICA Tax for employees and employers		7.65%	7.65%	7.65%	7.65%	7.65%	7.65%	7.65%	7.65%	7.65%	7.65%	7.65%	7.65%	7.65%
OASDI Tax for employees and employers		6.20%	6.20%	6.20%	6.20%	6.20%	6.20%	6.20%	6.20%	6.20%	6.20%	6.20%	6.20%	6.20%
Medicare Tax for employees and employers		1.45%	1.45%	1.45%	1.45%	1.45%	1.45%	1.45%	1.45%	1.45%	1.45%	1.45%	1.45%	1.45%
SECA Tax for self-employed workers		15.30%	15.30%	15.30%	15.30%	15.30%	15.30%	15.30%	15.30%	15.30%	15.30%	15.30%	15.30%	15.30%
Social Security Tax for self-employed workers		12.40%	12.40%	12.40%	12.40%	12.40%	12.40%	12.40%	12.40%	12.40%	12.40%	12.40%	12.40%	12.40%
Medicare Tax for self-employed Workers		2.90%	2.90%	2.90%	2.90%	2.90%	2.90%	2.90%	2.90%	2.90%	2.90%	2.90%	2.90%	2.90%

\* Note: Special annual compensation limit for governmental plans applies only to eligible participants in governmental plans which imposed 401(a)(17) limits with indexing on July 1, 1993. The IRS did not publish these special limits for 1996 or 1997; therefore, a plan's actuary may have determined the limit for such years.

\*\* Highly compensated employee determination is based on "look-back" year - for example, an employee is a highly compensated employee for the 2010 plan year if the employee's compensation was \$110,000 or greater in 2009.

\*\*\* PBGC has not yet released official 2010 amount.

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