

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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