

Cost of Living Adjustments

IRS Limits and Thresholds for Qualified Retirement Plans*

401(k) Plan Limits (per person not plan)	2009	2008	Code Section
Elective Deferrals	\$16,500*	\$15,500*	402(g)(1)
Catch-Up Contributions	\$5,500	\$5,000	414(v)(2)(B)
Annual Additions	\$49,000	\$46,000	415(c)(1)(A)
Annual Compensation Limit	\$245,000	\$230,000	401(a)(17)
Social Security Taxable Wage Base	\$106,800	\$102,000	

* Highly compensated and Key employees should contact their HR director for applicable limits

Elective Deferrals: For the calendar year 2009 the IRS has increased the amount participants may elect to defer into a 401(k), 403(b) or 457 retirement plan to \$16,500. If your plan restricts contributions to a low percentage of compensation the dollar limit may be less. Also, depending on your plan's ability to pass the ADP test, HCEs may have a reduced deferral limit. Employees deferring to more than one plan during 2009 are responsible for not exceeding this limit on contributions made to all plans. This higher limit does not start until January 1, 2009.

Catch-up Contributions: Catch-up contributions allowed for participants age 50 and over by the end of 2009 increases to **\$5,500**. This is in addition to the elective deferral limit above. Catch-up contributions are excluded from testing.

Annual Additions Limit: The limit for all contribution, (e.g. deferral + match + profit sharing + money purchase + forfeiture allocation), made into a participant's account(s) has been increased to **\$49,000** for 2009. Rollover and Catch-up Contributions are not included in this limit.

Annual Limits on Compensation: Only compensation up to **\$245,000** will be considered for contribution calculation and testing purposes in 2009.

Social Security Taxable Wage Base: In addition to the IRS announcement, the Social Security Administration has announced that the Social Security taxable wage base (i.e., the taxable maximum) is increased to **\$106,800** in 2009.

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