

On October 15, 2009, the Internal Revenue Service announced the cost-of-living adjustments to certain dollar limits for retirement plans, effective January 1, 2010. The limits remain essentially unchanged from 2009:

<u>Limit</u>	<u>2009</u>	<u>2010</u>
<b><u>Compensation Limit</u></b> The maximum compensation that may be considered for contributions in accordance with Internal Revenue Code (IRC) Section 401(a)(17)	\$245,000	<b>\$245,000</b>
<b><u>Definition of Highly Compensated Employees (HCE)</u></b> Used for determining HCE status under IRC Section 414(q)(1)(B)	\$110,000	<b>\$110,000</b>
<b><u>Definition of Key Employee</u></b> Used for determining key employees under IRS Section 416(i)(1)(A)(i)	\$160,000	<b>\$160,000</b>
<b><u>Defined Contribution Plan 415 dollar limit</u></b> The dollar limitation for annual additions under defined contribution plans under IRC Section 415(c)(1)(A)	\$49,000	<b>\$49,000</b>
<b><u>401(k)/403(b)/Existing SARSEP Elective deferral limit</u></b> The limitation on cumulative elective deferrals under IRC Section 402(g)(1)	\$16,500	<b>\$16,500</b>
<b><u>SIMPLE Retirement Plans</u></b> The limitation on deferrals to a SIMPLE Retirement plans under IRC Section 408(p)(2)	\$11,500	<b>\$11,500</b>
<b><u>Age 50+ Catch-up Limits</u></b> The special catch-up available for individuals at least 50 years old in 401(k), 403(b), and governmental 457 plans	\$5,500	<b>\$5,500</b>
The special catch-up to a SIMPLE plan	\$2,500	<b>\$2,500</b>
<b><u>Defined Benefit Plans</u></b> The maximum dollar limitation for annual benefits under IRC Section 415(b)(1)(A)	\$185,000	<b>\$185,000</b>
<b><u>Adjusted Gross Income Limit for Saver's Credit</u></b> The highest adjusted gross income (based on federal income tax filing status) eligible for the Saver's Credit	\$55,500 (joint) \$27,750 (single) \$41,625 (head of household)	<b>\$55,500</b> (joint) <b>\$27,750</b> (single) <b>\$41,625</b> (head of household)
<b><u>Compensation for Simplified Employee Pensions (SEPs)</u></b> Compensation used to determine eligibility for SEPs	\$550	<b>\$550</b>

**Roth IRA**

The adjusted gross income limitation under 408A(c)(3)(C)(ii)(I) for Roth IRA contributions

\$166,000(married)  
\$105,000(single)

**\$166,000**(married)  
**\$105,000**(single)

**Traditional IRA**

The applicable dollar amount under Section 219(g)(3)(B)(i) for determining the deductible amount of IRA contributions

\$89,000(joint)  
\$55,000(single)

**\$89,000**(joint)  
**\$55,000**(single)