

Retirement Plan Limits

Each year the IRS issues adjustments to the limits for company pension plans, Social Security, Medicare, and other plans to reflect inflation and changes in the law. Plan sponsors and their advisors must annually adapt their plans to the new limits.

Retirement plans, published by IRS

Annual Compensation:	2008	2009	2010	2011
Basic limit	230,000	245,000	245,000	245,000
<i>Limits on benefits and contributions:</i>				
Defined benefit plans: basic limit	185,000	195,000	195,000	195,000
Defined contribution plans: basic limit	46,000	49,000	49,000	49,000
401(k) 403(b) 457(b) plans, elective deferral: limit	15,500	16,500	16,500	16,500
401 (k), 403 (b), or governmental 457 (b) plans: Catch-up	5,000	5,500	5,500	5,500
"Highly Compensated Employee" definition	105,000	110,000	110,000	110,000
"Officer" for "key employee" definition	150,000	160,000	160,000	160,000
SIMPLE plans: elective deferral limit	10,500	11,500	11,500	11,500
SIMPLE Catch-up contribution	2,500	2,500	2,500	2,500
Simplified Employee Pension (SEP)	500	550	550	550
Personal IRA/ROTH IRA	5,000	5,000	5,000	5,000
IRA 'Catch-up'	1,000	1,000	1,000	1,000
Social Security				
<i>Payroll taxes:</i>				
Payroll tax rate, employer and employee share each	6.20%	6.20%	6.20%	6.20%
Wage base	102,000	106,800	106,800	106,800
Medicare				
Payroll tax rate employer and employee share each	1.45%	1.45%	1.45%	1.45%
Wage base	Unlimited			