

LEARNING CENTER

Retirement

2008/2009 Dollar Limitations for Retirement Plans

New limitations will apply to retirement plans and other benefit plans in 2009 as a result of cost-of-living adjustments made by the IRS and Social Security Administration. The limits for 2009, as well as the 2008 limits are as follows:

Account Type		2008 Limit	2009 Limit
IRA	Traditional and Roth IRA Contribution Limit	\$5,000	\$5,000
	Catch-Up Limit for individuals age 50 and older	\$1,000	\$1,000
SIMPLE IRA	Elective Deferral Limit	\$10,500	\$11,500
	Catch-Up Limit for individuals age 50 and over	\$2,500	\$2,500
	Maximum Employer Match (\$1 for \$1 match on the first 3% of employee compensation deferred. Catch-Up deferral is also matched if over age 50)	\$10,500	\$11,500
	Maximum Employer Non-Elective Contribution (2% of employee's compensation, up to \$230,000)	\$4,600	\$4,900
SEP IRA	Maximum SEP Contribution	\$46,000	\$49,000
	SEP Compensation Exclusion	\$500	\$550
401(k), SARSEP, 403(b) and Governmental 457(b)	Elective Deferral Limit	\$15,500	\$16,500
	Catch-Up Limit for individuals age 50 and over	\$5,000	\$5,500
Profit Sharing, 401(k) and Money Purchase Pension	Defined Contribution Limit (415(c) limit)	\$46,000	\$49,000
Profit Sharing, 401(k), SEP and Money Purchase Pension	Employee Annual Compensation Limit	\$230,000	\$245,000
401(k), SARSEP, 403(b) and Governmental 457(b)	Highly Compensated Employee Limit (No requirement for 5% owner)	\$105,000	\$110,000
Profit Sharing, 401(k) and Money Purchase Pension	Top-heavy Plan-Key Employee Compensation Limit	\$150,000	\$160,000
Defined Benefit	Maximum Annual Benefit at Retirement	\$185,000	\$195,000