



Client Bulletin

The 2009 limits below are found in IRS New Release IR-2008-118 (October 16, 2008) and from the Social Security Administration News Release (October 16, 2008). Links to these releases are found at the bottom of this bulletin.

Maximum Benefit or Contribution Limit	2009	2008
Elective Deferrals (401(k) and 403(b) not including adjustments and catch-ups)	\$ 16,500	\$ 15,500
457(b)(2) and 457(c)(1) Limits (not including catch-ups)	\$ 16,500	\$ 15,500
Section 414(v) Catch-up Deferrals to 401(k), 403(b), 457(b) or SARSEP Plans	\$ 5,500	\$ 5,000
Defined Benefit Plans	\$195,000	\$185,000
Defined Contribution Plans	\$ 49,000	\$ 46,000
Annual Compensation Limit	\$245,000	\$230,000
Highly Compensated Employees ("HCE's")	\$110,000	\$105,000
Individual Retirement Accounts ("IRA's") for individuals 49 and below	\$ 5,000	\$ 5,000
Individual Retirement Accounts ("IRA's") for individuals 50 and above	\$ 6,000	\$ 6,000
SIMPLER Retirement Accounts	\$ 11,500	\$ 10,500
SEP Coverage	\$ 550	\$ 500
SEP Compensation	\$245,000	\$230,000
Tax Credit for ESOP Maximum Balance	\$985,000	\$935,000
Amount of Lengthening of 5-Year ESOP Period	\$195,000	\$185,000
Income subject to Social Security Tax	\$106,800	\$102,000
FICA Tax for employees and employers	7.65%	7.65%
Social Security Tax for employees and employers	6.20%	6.20%
Medicare Tax for employees and employers	1.45%	1.45%
FICA Tax for self-employed workers	15.30%	15.30%
Social Security Tax for self-employed workers	12.40%	12.40%
Medicare Tax for self-employed workers	2.90%	2.90%

IRS Release IR-2008-119: <http://www.irs.gov/newsroom/article/0,,id=187833,00.html>

Social Security Administration News Release: <http://www.ssa.gov/pressoffice/pr/2009cola-pr.htm>