



# Client Bulletin

The 2010 limits below are found in IRS New Release IR-2009-94 (October 15, 2009) and from the Social Security Administration News Release (October 15, 2009). Links to these releases are found at the bottom of this bulletin.

<b>Maximum Benefit or Contribution Limit</b>	<b>2010</b>	<b>2009</b>
Elective Deferrals (401(k) and 403(b) not including adjustments and catch-ups)	\$ 16,500	\$ 16,500
457(b)(2) and 457(c)(1) Limits (not including catch-ups)	\$ 16,500	\$ 16,500
Section 414(v) Catch-up Deferrals to 401(k), 403(b), 457(b) or SARSEP Plans	\$ 5,500	\$ 5,500
Defined Benefit Plans	\$195,000	\$195,000
Defined Contribution Plans	\$ 49,000	\$ 49,000
Annual Compensation Limit	\$245,000	\$245,000
Highly Compensated Employees ("HCE's")	\$110,000	\$110,000
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	\$ 11,500
SEP Coverage	\$ 550	\$ 550
SEP Compensation	\$245,000	\$245,000
Tax Credit for ESOP Maximum Balance	\$985,000	\$985,000
Amount of Lengthening of 5-Year ESOP Period	\$195,000	\$195,000
Income subject to Social Security Tax	\$106,800	\$106,800
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-2009-94: <http://www.irs.gov/retirement/article/0,,id=96461,00.html>

Social Security News Release: <http://www.socialsecurity.gov/pressoffice/pr/2010cola-pr.htm>