



A Law Firm in the People Business

PPA Amendment Deadline – 12/31/2009

All qualified plans must be amended to comply with the Pension Protection Act of 2006 (the "PPA") By December 31, 2009.

Many of the changes made by the PPA have been in effect for a year or more, but it has not previously been necessary to amend plan documents for these changes. This grace period is coming to an end at the end of this year.

Some of the important changes made by the PPA are new vesting rules for profit sharing plans and cash balance plans, funding-based benefit restrictions for pension plans and new rollover rules.

If you have questions about the amendments that may be necessary for your plan document, please contact David Putnal (404-888-8836), Toby Walls (404-888-8870) or Teri King (404-888-8847).

NO COST-OF-LIVING ADJUSTMENTS FOR 2010

IRS Announcement. The IRS has announced that there will be no cost-of-living adjustments for retirement plan dollar limits for 2010, nor will there be an increase in the Social Security taxable wage base. The 2010 limits are as follows:

<u>Limit</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Section 402(g) limit for 401(k) pre-tax contributions	\$15,500	\$16,500	\$16,500
Section 414(v) catch-up contribution limit	\$5,000	\$5,500	\$5,500
Section 401(a)(17) limit on annual compensation recognizable for retirement plan purposes	\$230,000	\$245,000	\$245,000
Annual pre-tax contribution rate for participants at the compensation limit to reach the Section 402(g) contribution limit	6.74%	6.73%	6.73%
Section 415 limit on annual additions to a defined contribution plan	\$46,000	\$49,000	\$49,000
Section 415 limit on annual benefits under a defined benefit plan	\$185,000	\$195,000	\$195,000
Compensation threshold for defining "Highly Compensated Employees"	\$100,000 (in 2007)	\$105,000 (in 2008)	\$110,000 ¹ (in 2009)
Compensation threshold for officers to be "Key Employees" ²	\$150,000	\$160,000	\$160,000
Social Security (OASDI) Wage Base	\$102,000	\$106,800	\$106,800

¹ An employee with compensation exceeding \$110,000 in 2010 will be an HCE in 2011.

² 5% owners and 1% owners with compensation exceeding \$150,000 are also key employees.

IRS Circular 230 Notice: To ensure compliance with requirements of U.S. Treasury regulations, we inform you that any tax advice contained in this newsletter is not intended to be used, and cannot be used, for the purpose of avoiding penalties under the Internal Revenue Code or promoting, marketing or recommending to another party any transaction or matter addressed herein.



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