



## NO COST-OF-LIVING ADJUSTMENTS FOR 2011

The IRS has announced that there will be no cost-of-living adjustments to the retirement plan dollar limits for 2011, nor will there be an increase in the Social Security taxable wage base. This is the second consecutive year that the limits have remained unchanged. The 2011 limits are as follows:

<u>Limit</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Section 402(g) limit for 401(k) pre-tax contributions	\$16,500	\$16,500	\$16,500
Section 414(v) catch-up contribution limit	\$5,500	\$5,500	\$5,500
Section 401(a)(17) limit on annual compensation recognizable for retirement plan purposes	\$245,000	\$245,000	\$245,000
Annual pre-tax contribution rate for participants at the compensation limit to reach the Section 402(g) contribution limit	6.73%	6.73%	6.73%
Section 415 limit on annual additions to a defined contribution plan	\$49,000	\$49,000	\$49,000
Section 415 limit on annual benefits under a defined benefit plan	\$195,000	\$195,000	\$195,000
Compensation threshold for defining "Highly Compensated Employees"	\$105,000 (in 2008)	\$110,000 <sup>1</sup> (in 2009)	\$110,000 <sup>1</sup> (in 2010)
Compensation threshold for officers to be "Key Employees" <sup>2</sup>	\$160,000	\$160,000	\$160,000
Social Security (OASDI) Wage Base	\$106,800	\$106,800	\$106,800

<sup>1</sup> An employee with compensation exceeding \$110,000 in 2011 will be an HCE in 2012.

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

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