

Date Published: October 16, 2008

This update is published by The Law Offices of Ilene H. Ferenczy, LLC to provide information to our clients and friends about recent developments in the benefits community. It is intended to be informational and does not constitute legal advice for any particular situation. It also may be considered to be "attorney advertising" under the rules of certain states.



The Ferenczy Flash

FROM THE LAW OFFICES OF Ilene H. Ferenczy, LLC

The Latest Word in Employee Benefits . . .

GET YOUR COLA HERE! IRS RELEASE COST OF LIVING ADJUSTMENTS TO VARIOUS RETIREMENT PLAN LIMITS

The IRS has released the cost of living increases for various retirement plan limitations that will take effect on January 1, 2009. They are as follows:

- **Maximum Defined Benefit Plan Benefit** (IRC §415(b)): \$195,000, up from \$185,000 – effective for limitation years ending in 2009.
- **Maximum Defined Contribution Plan Annual Addition** (IRC §415(c)): \$49,000, up from \$46,000 – effective for limitation years ending in 2009.
- **Salary Deferral Limit** (IRC §402(g)): \$16,500, up from \$15,500.
- **Catch-up Limit for 401(k), 403(b), and 457 Plans** (IRC §414(v)): \$5,500, up from \$5,000.
- **HCE Compensation** (IRC §414(q)): \$110,000, up from \$105,000 – applies for determining HCEs in 2010, based on compensation in 2009.
- **Maximum Compensation for Retirement Plan Purposes** (IRC §401(a)(17)): \$245,000, up from \$230,000 – applies to plan years beginning in 2009.
- **Compensation for Determining if Officers Can Be Key Employees** (IRC §416): \$160,000, up from \$150,000
- **457(b) Contribution Limit**: \$16,500, up from \$15,500.
- **SIMPLE Salary Deferral Limit**: \$11,500, up from \$10,500.
- **SIMPLE Catch-up Limit**: \$2,500 (same as last year).
- **SEP Threshold**: \$550, up from \$500.
- **ESOP Distribution Factor**: \$195,000, up from \$185,000.
- **ESOP Account Balance for determining lengthened distribution period**:

\$985,000, up from \$935,000.

If you have any questions, please let us know.

© 2011 The Law Offices of Ilene H. Ferenczy, LLC

The Law Offices of Ilene H. Ferenczy, LLC
404.320.1100

Ilene Ferenczy • x 102 • ilene@ihflaw.com | Gina Farmer • x 101 • gfarmer@ihflaw.com
Barbara Murphy • x 104 • bmurphy@ihflaw.com | Matt Cristy • x 110 • mcristy@ihflaw.com

2200 Century Parkway, Suite 560 • Atlanta, GA 30345 • T-404.320.1100 • F-404.320.1105 • www.ihflaw.com