



The Ferenczy Flash

FROM THE LAW OFFICES OF *Ilene H. Ferenczy, LLC*

The Latest Word in Employee Benefits . . .

IRS RELEASES COST OF LIVING ADJUSTMENTS TO VARIOUS RETIREMENT PLAN LIMITS – ANOTHER YEAR OF THE UN-COLA!

The IRS just released the cost of living adjustments for various retirement plan limitations that will take effect on January 1, 2011. *For the second year in a row, there will be no change in the various limits for 2011.* The 2011 and current limits are as follows:

	For Calendar Year	
	2010	2011
Maximum Defined Benefit Plan Benefit (IRC §415(b)) (<i>applies to limitation years <u>ending</u> in indicated year</i>)	\$195,000	\$195,000
Maximum Defined Contribution Annual Addition (IRC §415(c)) (<i>applies to limitation years <u>ending</u> in indicated year</i>)	\$49,000	\$49,000
Salary Deferral Limit (IRC §402(g))	\$16,500	\$16,500
Catch-up Limit for 401(k), 403(b), 457 plans (<i>applies to <u>calendar</u> year</i>)	\$5,500	\$5,500
HCE Compensation (<i>applies to <u>lookback</u> years in indicated year</i>)	\$110,000	\$110,000
Maximum Compensation for Retirement Plan Purposes (IRC §401(a)(17)) (<i>applies to plan years <u>beginning</u> in indicated year</i>)	\$245,000	\$245,000
Key Employee: Officer	\$160,000	\$160,000
Key Employee: 1% Owner	\$150,000	\$150,000
457(b) Contribution Limit	\$16,500	\$16,500
SIMPLE Salary Deferral Limit	\$11,500	\$11,500
SIMPLE Catch-up Limit	\$2,500	\$2,500
IRA Contribution Limit	\$5,000	\$5,000
IRA Catch-up Limit	\$1,000	\$1,000
SEP Threshold	\$500	\$550

ESOP: 5-year Distribution Factor	\$195,000	\$195,000
ESOP: Account Balance	\$985,000	\$985,000

If you have any questions, please let us know.

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