

Qualified Plans – Deduction Limit Changes – Updated for 2011!!!!

Every October we send out the deduction limit changes for qualified plans.....in general, these limits will remain unchanged for 2011:

Elective Deferrals (401(k), 403(b) and 457 Plans) The limit on elective deferrals for participants in 401(k), 403(b) and 457 plans (excluding SIMPLE plans):

<u>Year</u>	<u>Limit</u>
2008	\$15,500
2009	\$16,500
2010	\$16,500
2011	\$16,500

Catch-up contributions A plan can permit participants who are age 50 or over at the end of the plan year to make catch-up contributions. This amount is in addition to the Elective Deferral amounts:

<u>Year</u>	<u>Limit</u>
2008	\$5,000
2009	\$5,500
2010	\$5,500
2011	\$5,500

Additionally, total aggregate contributions including 401(k) deferral contributions, employer contributions and forfeitures cannot exceed \$49,000.

The Annual Compensation Limit (the maximum amount of wages that may be considered for plan purposes) is \$245,000.

This wage amount is used in the formula for permitted disparity (integrated) plans is \$106,800.

The dollar limit for determining which participants will be Highly Compensated Employees is \$110,000.

The dollar limit for determining which participants will be considered a Key Employee is \$160,000.

Please contact your retirement plan administrator with any questions you may have on the above.