

2010 retirement plan limits

Today, the Internal Revenue Service announced inflation-adjusted 2010 amounts concerning retirement plans and related tax-qualified benefits. **Almost nothing changes.**¹ The table below shows some amounts used with retirement plans.

For 2010 amounts used with health plans and other employee and fringe benefits, call Peter Gulia at 215-732-1552. *Do your health and cafeteria plan descriptions need updates?*

For most elective deferrals, a participant who's under 50 may defer **\$16,500**; a participant's who's 50 or older may defer **\$22,000**. A § 403(b) participant who's 50 or older and has 15 years with the qualified organization might defer up to **\$25,000** if prior contributions permit.

Total employer-provided and participant contributions to a § 401 or § 403(b) defined-contribution retirement plan are up to **\$49,000** for a participant who's under 50, or up to **\$54,500** for a participant who's 50 or older.

IRC §	Benefit or rule	2010	2009	2008	2007 ²
1.61-21(f)(5)(i)	Control employee for fringe valuation	\$ 95,000	\$ 95,000	\$ 90,000	\$ 90,000
1.61-21(f)(5)(iii)	Compensation amount	\$195,000	\$195,000	\$185,000	\$180,000
219(b)(5)(A)	IRA contribution	\$ 5,000	\$ 5,000	\$ 5,000	\$ 4,000
219(b)(5)(B)	Age 50 extension for IRA	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000
401(a)(17)	"countable" compensation	\$245,000	\$245,000	\$230,000	\$225,000
401(a)(17) ³	"countable" compensation	\$360,000	\$360,000	\$345,000	\$335,000
402(g)	elective-deferral limit	\$ 16,500	\$ 16,500	\$ 15,500	\$ 15,500
402(g)(7)(B)	extension	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000
408(k)(2)(C)	SEP minimum compensation	\$ 550	\$ 550	\$ 500	\$ 500
408(p)(2)(A)&(E)	SIMPLE elective-deferral limit	\$ 11,500	\$ 11,500	\$ 10,500	\$ 10,500
409(e)(1)(C)(ii)	for ESOP limited-payout period	\$985,000	\$985,000	\$935,000	\$915,000
409(e)(1)(C)(ii)	increment to lengthen period	\$195,000	\$195,000	\$185,000	\$180,000
414(q)(1)(B)	highly-compensated employee	\$110,000	\$110,000	\$105,000	\$100,000
414(v)(2)(B)(i)	Age 50 extension	\$ 5,500	\$ 5,500	\$ 5,000	\$ 5,000
414(v)(2)(B)(ii)	Age 50 extension for SIMPLE	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500
415(b)(1)(A)	defined-benefit limit	\$195,000	\$195,000	\$185,000	\$180,000
415(c)(1)(A)	annual-additions limit	\$ 49,000	\$ 49,000	\$ 46,000	\$ 45,000
416(i)(1)(A)(i)	key employee	\$160,000	\$160,000	\$150,000	\$145,000
457(b)(2)(A)/457(e)(15)	deferral limit	\$ 16,500	\$ 16,500	\$ 15,500	\$ 15,500
457(b)(3)(A)	Unused "catch-up" deferral limit	\$ 33,000	\$ 33,000	\$ 31,000	\$ 31,000
	Social Security OASDI wage base	\$106,800	\$106,800	\$102,000	\$ 97,500

¹ For the § 25B retirement saver's credit, some adjusted gross income limits increased. For IRA deductions, some § 219(g) limits on modified adjusted gross income increased. For Roth IRA contributions, some § 408A(c)(3)(C)(ii) limits on modified adjusted gross income increased.

² Limits for earlier years available on request.

³ A transition rule might apply to a governmental plan's eligible participant if the plan as in effect on July 1, 1993 provided "cost-of-living" adjustments to the "countable-compensation" limit.