

Employee Benefits Alert

I.R.S. ANNOUNCES THAT 2010 RETIREMENT PLAN LIMITS ARE UNCHANGED

The I.R.S. announced today that the 2010 dollar limits applicable to tax-qualified plans generally will not increase. As a result, for 2010:

- The dollar limit on the maximum permissible allocation under a defined contribution plan will continue to be \$49,000.
- The maximum annual benefit under a defined benefit plan remains unchanged at \$195,000.
- The maximum amount of annual compensation that may be taken into account on behalf of any participant under a qualified plan will remain \$245,000.
- The dollar amount used to identify “highly compensated employees” will remain \$110,000.
- The limit on the maximum amount of elective contributions that a person may make to a §401(k) plan, a §403(b) tax-sheltered annuity or a §457(b) eligible deferred compensation plan will continue to be \$16,500.
- The limit on “catch-up contributions” for persons age 50 and older will continue to be \$5,500.

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