



IRS Announces Pension Plan Limitations

Employment, Labor & Benefits Practice Group

Foster Swift Employment, Labor & Benefits Quarterly

December 2009

PRACTICE AREAS

Employee Benefits

The IRS has announced the cost-of-living adjustments applicable to pension plan limitations for 2010. The cost-of-living index for the quarter ended September 30, 2009 is less than the cost-of-living index for the quarter ended September 30, 2008; therefore, the limits remain unchanged from the 2009 levels. The chart below sets forth the applicable limitations.

Employee Plan COLA

2009 Limit

2010 Limit

401(k) and 403(b) Employee Contribution Limit

\$16,500

\$16,500

"Catch-Up Contribution" Limit

\$5,500

\$5,500

Defined Contribution Maximum

\$49,000 (plus "Catch-Up")

\$49,000 (plus "Catch-Up")

Highly Compensated Employee

\$110,000 (look back year compensation)

\$110,000 (look back year compensation)

Annual Compensation Limit



\$245,000

\$245,000

457 Plan Contribution Limit

\$16,500

\$16,500

Social Security Wage Base

\$106,800

\$106,800

Please contact your Foster Swift employee benefits professional if you have any questions regarding these limits.

Employee Plan COLA	2009 Limit	2010 Limit
401(k) and 403(b) Employee Contribution Limit	\$16,500	\$16,500
"Catch-Up Contribution" Limit	\$5,500	\$5,500
Defined Contribution Maximum	\$49,000 (plus "Catch-Up")	\$49,000 (plus "Catch-Up")
Highly Compensated Employee	\$110,000 (look back year compensation)	\$110,000 (look back year compensation)
Annual Compensation Limit	\$245,000	\$245,000
457 Plan Contribution Limit	\$16,500	\$16,500
Social Security Wage Base	\$106,800	\$106,800