



IRS Announces Pension Plan Limitations for 2012

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PRACTICE AREAS

Employee Benefits

Employer Services

The IRS has announced the cost-of-living adjustments applicable to pension plan limitations for 2012. Many of the pension plan limitations will change for 2012 because the increase in the cost-of-living index has met the statutory thresholds that trigger the adjustment. However, some limitations remain unchanged. The chart below sets forth the applicable limitations.

Employee Plan COLA

2011 Limit

2012 Limit

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

\$16,500

\$17,000

"Catch-Up Contribution" Limit

\$5,500

\$5,500

Defined Contribution Maximum

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

\$50,000 (plus "Catch-Up")

Highly Compensated Employee

\$110,000 (look back year compensation)

\$115,000 (look back year compensation)

Annual Compensation Limit

\$245,000

\$250,000

457 Plan Contribution Limit

\$16,500

\$17,000

Social Security Wage Base

\$106,800

\$110,100

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

Employee Plan COLA	2011 Limit	2012 Limit
401(k) and 403(b) Employee Contribution Limit	\$16,500	\$17,000
"Catch-Up Contribution" Limit	\$5,500	\$5,500
Defined Contribution Maximum	\$49,000 (plus "Catch-Up")	\$50,000 (plus "Catch-Up")
Highly Compensated Employee	\$110,000 (look back year compensation)	\$115,000 (look back year compensation)
Annual Compensation Limit	\$245,000	\$250,000
457 Plan Contribution Limit	\$16,500	\$17,000
Social Security Wage Base	\$106,800	\$110,100