

IRS Announces 2010 Retirement Plan and Inflation-Adjusted Benefits

The Internal Revenue Service has announced cost-of-living adjustments applicable to dollar limitation for retirement plans and inflation adjusted limits for other benefits for 2010.

	2009 Limits	2010 Limits
401(k)/403(b) Contributions*	\$16,500	\$16,500
457(b) Limit	\$16,500	\$16,500
Catch-up Contributions (age 50 or older)	\$5,500	\$5,500
Compensation Limit**	\$245,000	\$245,000
Highly Compensated Employees**	\$110,000	\$110,000
Key Employee Officer Compensation**	\$160,000	\$160,000
Maximum Annual Benefit		
Defined Benefit Plan**	\$195,000	\$195,000
Maximum Annual Contribution		
Defined Contribution Plan**	\$49,000	\$49,000
ESOP Limits		
Dollar limit for determining lengthening of 5-year period*	\$195,000	\$195,000
Dollar amount for determining max. amount subject to 5-year distribution*	\$985,000	\$985,000
Maximum SIMPLE contribution	\$11,500	\$11,500
SIMPLE Catch-up Contribution (age 50 or older)	\$2,500	\$2,500
FICA Wage Base ***	\$106,800	\$106,800
Qualified Transportation Fringe Benefits – Code § 132		
Monthly limit for transportation in a commuter highway vehicle or transit pass	\$120	\$230
Monthly limit for qualified parking	\$230	\$230
Monthly limit for bicycle commuters	\$20	Not Released Yet
Adoption Assistance Programs		
Maximum excludable from employee gross income	\$12,150	\$12,170
Exclusion phased out with modified gross income (starting at–ending at)	\$182,150–\$222,180	\$182,520–\$222,520
Health Savings Accounts		
High deductible health plan (HDHP) – minimum annual deductible		
Individual coverage	\$1,150	\$1,200
Family coverage	\$2,300	\$2,400
HDHP – maximum out-of-pocket limit		
Individual coverage	\$5,800	\$5,950
Family coverage	\$11,600	\$11,900
HSA monthly contribution – 1/12 lesser of annual deductible or statutory limit		
Self-only coverage limit	\$3,000	\$3,050
Family coverage limit	\$5,950	\$6,150
Catch-up contributions (age 55 or older)	\$1,000	\$1,000

* Calendar year limitation

** For plan years beginning in the calendar year.

*** Calendar year limitation for FICA withholding purposes and plan years beginning in the calendar year for retirement plan purposes

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