



### Adjustments To Qualified Plan Limits

| Limitation  | 2008   | 2009   |
|---|--|--|
| 401(k), 403(b), 457 or SAR/SEP Deferrals<br>§402(g)(3); §457(e)(15)   | 15,500*  | 16,500   |
| Deferral Catch-up for those age 50+ §414(v)(2)(B)(i)  | 5,000*   | 5,500  |
| Maximum contribution per employee in defined contribution plans §415(C)(1)(A)   | Lesser of 100% of gross compensation or \$46,000 | Lesser of 100% of gross compensation or \$49,000   |
| Maximum Profit Sharing Deduction (deferrals after 2002 not included)  | 25%  | 25%  |
| Maximum considered compensation §401(a)(17), §404(l), §408(k)(3)(C), §408(k)(6)(D)(iii)   | 230,000  | 245,000  |
| Definition of Highly Compensated Employee "HCE" for 401(k) & 403(b) Non-discrimination testing<br>- 5% Shareholders<br>- Top 20% highest paid<br>- \$75,000 limit §414(q)(1)(B) | no \$ limit applies only if elected 105,000      | Employees > \$105,000 in 2008 will be HCE s in 2009 in "look-back" no \$ limit applies only if elected 110,000 |
| Definition of Key Employee<br>- 5% Shareholder<br>- 1% Owners<br>- Officer (10% or 3) §416(i)(1)(A)(i)  | 150,000<br>150,000                               | 160,000<br>160,000   |
| Threshold for tax on excess distributions §1.6121(f)(5)(iii)  | 185,000  | 195,000  |
| Social Security Taxable Wage Base   | 102,000  | 106,800  |
| Defined Benefit plan<br>Maximum Annual Benefit §415(b)(1)(A)  | 185,000  | 185,000  |
| SIMPLE Salary Deferral Limit §408(p)(2)(B)  | 10,500   | 11,500   |
| SIMPLE Catch-up for those age 50+ §414(v)(2)(B)(ii)   | 2,500*   | 2,500*   |
| SEP compensation threshold §408(k)(2)(C)  | 500  | 550  |
| IRA §408(p)   | 4,000  | 5,000  |
| IRA Catch-up for those age 50+ §414(v)(2)(B)(ii)  | 1,000*   | 1,000*   |
| Coverdell Education IRAs  | 2,000  | 2,000  |

\*Unchanged from prior year

Per IRS News Release TCRS 2008-09: 2009 COLAS

### Employee Tax Credits for Low Income Savers for 2009 - File IRS Form 8880

| Joint Filer          | Head of Household    | All Other Filers     | Amount of Credit based on first \$2,000 of deferrals |
|----------------------|----------------------|----------------------|--|
| Up to \$32,000       | Up to \$24,000       | Up to \$16,000       | 50% up to \$1,000                                    |
| \$32,001 to \$34,500 | \$24,001 to \$25,875 | \$16,001 to \$17,250 | 20% up to \$400                                      |
| \$34,501 to \$53,000 | \$25,876 to \$39,750 | \$17,251 to \$26,500 | 10% up to \$200                                      |
| Over \$53,000        | Over \$39,750        | Over \$26,500        | 0%   |

Unlike a deduction, a tax credit *actually reduces your income taxes dollar for dollar.*

The applicable dollar amount under Section 219(g)(3)(B)(i) for determining the deductible amount of an IRA contribution for taxpayers who are active participants filing a joint return or as a qualifying widow(er) is increased from \$83,000 to \$85,000. The applicable dollar amount under Section 219(g)(3)(B)(ii) for all other taxpayers (other than married taxpayers filing separate returns) is increased from \$52,000 to \$53,000. The applicable dollar amount under Section 219(g)(7)(A) for a taxpayer who is not an active participant but whose spouse is an active participant is increased from \$156,000 to \$159,000. The adjusted gross income limitation under Section 408A(c)(3)(C)(ii)(I) for determining the maximum Roth IRA contribution for taxpayers filing a joint return or as a qualifying widow(er) is increased from \$159,000 to \$160,000. The adjusted gross income limitation under Section 408A(c)(3)(C)(ii)(II) for all other taxpayers (other than married taxpayers filing separate returns) is increased from \$101,000 to \$110,000. The \$100,000 income limit for converting a traditional IRA to a Roth is eliminated in 2010.