

3Q 2008



IRS Announces Key Benefit Limits for 2009

The Internal Revenue Service announced new limits on contributions and benefits for the 2009 tax year. For 401(k) plans, the contribution limit, catch-up limit and total contribution limits have been raised. For 2009, the contribution limit increased from \$15,500 to \$16,500. The catch-up limit increased from \$5,000 to \$5,500. The total that can be contributed to a 401(k) plan will increase to the lesser of 100% of compensation or \$49,000, up from \$46,000. In addition, the salary breakpoint for the highly compensated worker category has increased from \$105,000 to \$110,000 in 2009. For defined benefit plans, the maximum annual benefit a participant may accrue increased from \$185,000 to \$195,000.



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