



RAYMOND, REEVES & STOUT, LLP
Pension and Financial Services

The Economic Growth and Tax Relief Reconciliation Act of 2001 (EGTRRA) - maximum dollar limits

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Elective deferral limit:	13,000	14,000	15,000	15,500	15,500	16,500	16,500	16,500	17,000
Catch-up contribution for 50+:	3,000	4,000	5,000	5,000	5,000	5,500	5,500	5,500	5,500
Simple IRA/401(k) limit:	9,000	10,000	10,000	10,500	10,500	11,500	11,500	11,500	11,500
Catch-up contribution for 50+:	1,500	2,000	2,500	2,500	2,500	2,500	2,500	2,500	2,500
Traditional & Roth IRA contributions:	3,000	4,000	4,000	4,000	5,000	5,000	5,000	5,000	5,000
Catch-up contribution for 50+:	500	500	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Compensation limit (years beginning):	205,000	210,000	220,000	225,000	230,000	245,000	245,000	245,000	250,000
Annual additions limit (DC plans, years ending):	100% or 41,000	100% or 42,000	100% or 44,000	100% or 45,000	100% or 46,000	100% or 49,000	100% or 49,000	100% or 49,000	100% or 50,000
Annual additions limit including Catch-up (DC plans, years ending):	100% or 44,000	100% or 46,000	100% or 49,000	100% or 50,000	100% or 51,000	100% or 54,500	100% or 54,500	100% or 54,500	100% or 55,500
Annual benefit limit (DB plans, years ending):	165,000*	170,000*	175,000*	180,000*	185,000*	195,000*	195,000*	195,000*	200,000*

* Reduced for NRA < 62

Other - maximum dollar limits

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Wage base (SS = 6.20%, Medicare = 1.45%)	87,900	90,000	94,200	97,500	102,000	106,800	106,800	106,800	110,100
Highly Compensated EE (lookback year)	90,000	95,000	100,000	100,000	105,000	110,000	110,000	110,000	115,000
Annual compensation limit for Key EE	130,000	135,000	140,000	145,000	150,000	160,000	160,000	160,000	165,000
Compensation limit for SEP coverage	450	450	450	500	500	550	550	550	550

Top Heavy rules:

A Plan, including a 401(k) Plan, is Top Heavy if more than 60% of the Plan's benefits are allocated to Key Employees. A Key Employee is anyone who is 1) a more than 5% owner, 2) Any officer with compensation in excess of \$165,000 (as indexed above), or 3) A more than 1% owner with compensation in excess of \$165,000. Once a Plan becomes Top Heavy specific minimum benefits and minimum vesting must be provided to all eligible non-Key Employees.

Hardship withdrawal criteria:

1) Medical expenses of employee (EE), spouse (Sp) or dependents (Dep). 2) Purchase of EE's principal residence. 3) Payment of tuition and related education costs for next 12 months for EE, Sp or Dep. 4) To prevent eviction or foreclosure of EE from principal residence. 5) Funeral or burial expenses for EE's parents, Sp or Dep. 6) Expenses for repair of EE's principal residence qualifying as casualty deduction.

Small Plan start-up credit:

50% credit of up to \$1,000 of administration expenses per year (maximum credit of \$500) for the first three years for employers with less than 100 employees and the new Plan covers at least one employee who is not Highly Compensated.