

Cost of living adjustments for the year 2010

Employer Retirement Plans	2010 Limits	2009 Limits
<p>Maximum 401(k) and 403(b) Deferral Limit (Roth and Pre-Tax combined) This is the maximum amount a participant can contribute under IRC 402(g) during a calendar year. This limit includes all salary deferrals made to all 401(k), 403(b), grandfathered SARSEP, and SIMPLE plans under which the employee participates during a year.</p>	\$16,500 Calendar Year	\$16,500 Calendar Year
<p>401(k) and 403(b) Catch-up contributions Employees age 50 or older, on or before December 31 of the applicable year, may contribute additional amounts above the 401(k) and 403(b) salary deferral limits or plan limits. This is the maximum amount a participant can contribute as a catch up contribution under IRC 414(v) during a calendar year to a 401(k) or 403(b) plan. Additionally, there may be other catch-up contributions (unrelated to age) available for 403(b) plans.</p>	\$5,500 Calendar Year	\$5,500 Calendar Year
<p>Maximum 457 Salary Deferral Limit This is the maximum limit on deferrals that an employee may contribute to certain deferred compensation plans of state and local governments and tax-exempt organizations. This limit is <u>in addition to</u> the salary deferral limit for 401(k) 403(b), SIMPLE and SARSEP plans.</p>	\$16,500 Calendar Year	\$16,500 Calendar Year
<p>Governmental 457 Catch-up contributions Employees age 50 or older, on or before December 31 of the applicable year, may contribute additional amounts above governmental 457 plan salary deferral limits or plan limits. Additionally, there may be other catch-up contributions (unrelated to age) available for governmental 457 plans.</p>	\$5,500 Calendar Year	\$5,500 Calendar Year
<p>Deferral limit for SIMPLE plans The maximum amount of compensation under IRC 408(p)(2) and 401(k)(11) that an employee may elect to defer under a SIMPLE Plan.</p>	\$11,500 Calendar Year	\$11,500 Calendar Year
<p>SIMPLE Catch-up contributions Employees age 50 or older, on or before December 31 of the applicable year, may contribute additional amounts SIMPLE deferral limits. This is the maximum amount a participant can contribute as a catch up contribution under IRC 414(v) during a calendar year. Additionally, there may be other catch-up contributions (unrelated to age) available for 403(b) and governmental 457 plans.</p>	\$2,500 Calendar Year	\$2,500 Calendar Year
<p>Highly compensated employees</p> <ul style="list-style-type: none"> • Employee who earns more than . . . • Employee who is part of the top-paid 20 percent* and earns more than . . . 	\$110,000 in 2010 Plan Year \$110,000 in 2010 Plan Year	\$110,000 in 2009 Plan Year \$110,000 in 2009 Plan Year
<p><i>*This only applies if the Employer elects to utilize the top paid 20 percent rule and will only have an impact if over 20 percent earn over the applicable compensation limit. Note: Fiscal year plans may elect a calendar year basis for this limit; review plan document.</i></p>		
<p>Maximum compensation This is the IRC 401(a)(17) maximum compensation amount per individual participant that can be taken into account for determining contributions/benefits and the maximum deductible amount under qualified plans.</p>	\$245,000 Computation Year	\$245,000 Computation Year
<p>Key employees Certain officers and owners are considered key employees for top heavy purposes. Only officers who earn over the applicable compensation levels are considered key employees.</p>	\$160,000 Plan Year	\$160,000 Plan Year

The limits above are the maximum limits allowed under current law. Specific plan limits may be lower than those noted above. For further information, contact your RSM McGladrey Retirement Resources representative.

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Employer Retirement Plans

2010 Limits

2009 Limits

Defined benefit maximum annual benefit

This is the IRC 415(b) maximum annual benefit a participant can receive under a defined benefit plan. This maximum may be further reduced depending on such factors as the participant's age, salary and years of participation/service.

\$195,000
Limitation Year

\$195,000
Limitation Year

Defined contribution maximum annual contribution

This is the maximum amount of annual contributions and forfeitures that can be allocated to a participant's account under a defined contribution plan in accordance with IRC 415(c).

Lesser of:

\$49,000 or 100% of
Gross Compensation
Limitation Year

Lesser of:

\$49,000 or 100% of
Gross Compensation
Limitation Year

Note: Compensation includes salary reductions made to a 401(k) plan, cafeteria plan, etc.

Social Security Taxable Wage Base

This is the maximum amount of earnings subject to Social Security taxes. Wages up to the Social Security Taxable Wage Base are taxed at 6.2 percent. The Medicare portion of the tax (1.45 percent) applies to all wages.

\$106,800
Plan Year

\$106,800
Plan Year

Compensation limits for SEP eligibility

This is the IRC 408(k)(2)(C) annual compensation limit used to determine eligibility in Employer's SEP plan.

\$550
Calendar Year

\$550
Calendar Year

ESOP 5-year distribution period

- The IRC 409(o)(1)(C)(ii) dollar amount for determining the maximum account balance of an ESOP subject to a 5-year distribution period.
- Amount used to determine the lengthening of the 5-year distribution period.

\$985,000/Calendar Year
\$195,000

\$985,000/Calendar Year
\$195,000

Fringe benefit valuation

For the purpose of determining a "control employee" for fringe benefit valuation purposes:

- An officer who earns more than...
- An employee who earns more than...

\$95,000/Calendar Year
\$195,000/Calendar Year

\$95,000/Calendar Year
\$195,000/Calendar Year

Pension Plan Limitations - Five Year Summary

	2010	2009	2008	2007	2006
DEFINED BENEFIT					
Maximum Annual Limit	\$195,000	\$195,000	\$185,000	\$180,000	\$175,000
DEFINED CONTRIBUTION					
Maximum Annual Addition	\$49,000	\$49,000	\$46,000	\$45,000	\$44,000
401(k) Plan					
Maximum Elective Deferral	\$16,500	\$16,500	\$15,500	\$15,500	\$15,000
Catch-up Contributions	\$5,500	\$5,500	\$5,000	\$5,000	\$5,000
Simple Deferral	\$11,500	\$11,500	\$10,500	\$10,500	\$10,000
Simple Catch-up Contributions	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500
SEP Compensation Amount	\$550	\$550	\$500	\$500	\$450
QUALIFIED PLANS					
Maximum Compensation Limit	\$245,000	\$245,000	\$230,000	\$225,000	\$220,000
Highly Compensated Employee Threshold	\$110,000	\$110,000	\$105,000	\$100,000	\$100,000
Officer Limit (Key Employee)	\$160,000	\$160,000	\$150,000	\$145,000	\$140,000
PBGC Insured Maximum Per Month**	*	\$4,500.00	\$4,312.50	\$4,125.00	\$3,971.59
Social Security Taxable Wage Base	\$106,800	\$106,800	\$102,000	\$97,500	\$94,200
INDIVIDUAL RETIREMENT ACCOUNTS					
Maximum contribution	\$5,000	\$5,000	\$5,000	\$4,000	\$4,000
Catch-up contribution	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
ROTH IRAs					
Maximum contribution	\$5,000	\$5,000	\$5,000	\$4,000	\$4,000
Catch-up contribution	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
EMPLOYER AND EMPLOYEE SOCIAL SECURITY TAX					
	6.20%	6.20%	6.20%	6.20%	6.20%
EMPLOYER AND EMPLOYEE MEDICARE TAX					
	1.45%	1.45%	1.45%	1.45%	1.45%

* The PBGC has not announced the 2010 amount. As soon as an announcement is made, we will update.

** Maximum applies to a single life annuity beginning at the normal retirement age of 65.