

October 20, 2011

Year 2012 Retirement Plan Cost-of-Living Adjustments

The Internal Revenue Service has announced cost-of-living adjustments applicable to dollar limitations for qualified retirement plans for 2012. Many of the applicable limitations will increase for 2012, although some limitations will remain unchanged. The Social Security Administration has announced that there will be an increase in the Social Security taxable wage base for 2012, from \$106,800 to \$110,100. The following is a chart showing the commonly-used 2011 and 2012 year limits.

Type of Limit	2011	2012
IRC Section 401(a)(17) – Qualified Plans – Maximum Compensation Limit Per Person	\$245,000	\$250,000
IRC Section 402(g)(1) – 401(k) Plans – Maximum Elective Deferral Per Person Per Year	\$16,500	\$17,000
IRC Section 414(q)(1)(B) – Qualified Plans – Definition of Highly Compensated Employee	\$110,000	\$115,000
IRC Section 414(v) – 401(k) Plans – Maximum Catch-Up Contribution Per Person For Persons Age 50 and Over	\$5,500	\$5,500
IRC Section 415(b) – Defined Benefit Plans – Maximum Annual Benefit Payable Per Person	\$195,000	\$200,000
IRC Section 415(c) – Defined Contribution Plans – Maximum Annual Contribution Per Person	\$49,000	\$50,000
IRC Section 416(i)(1)(A)(i) – Qualified Plans – Dollar Limit Used In Definition of Officer Key Employee for Purposes of Top-Heavy Testing	\$160,000	\$165,000
Social Security Taxable Wage Base	\$106,800	\$110,100

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