

October 15, 2009

No Retirement Plan Cost-of-Living Increases for 2010

The Internal Revenue Service has announced that there will be no cost-of-living adjustments applicable to qualified retirement plans for the year 2010. Similarly, the Social Security Administration has also announced there will be no cost-of-living adjustments to the Social Security taxable wage base for 2010. The following is a chart showing the commonly used 2009 and 2010 year limits, which will remain unchanged in 2010.

Type of Limit	2009	2010
IRC Section 401(a)(17) – Qualified Plans – Maximum Compensation Limit Per Person	\$245,000	\$245,000
IRC Section 402(g)(1) – 401(k) Plans – Maximum Elective Deferral Per Person Per Year	\$16,500	\$16,500
IRC Section 414(q)(1)(B) – Qualified Plans – Definition of Highly Compensated Employee	\$110,000	\$110,000
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	\$195,000
IRC Section 415(c) – Defined Contribution Plans – Maximum Annual Contribution Per Person	\$49,000	\$49,000
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	\$160,000
Social Security Taxable Wage Base	\$106,800	\$106,800

Our client alerts are for general informational purposes and should not be regarded as legal advice. If you would like additional information or have any questions, please contact:

For More Information

David Gallai

+1 (212) 408-1033

dgallai@chadbourne.com

Marjorie M. Glover

+1 (212) 408-1016

mgllover@chadbourne.com

Rachel M. Kurth

+1 (212) 408-5185

rkurth@chadbourne.com

Edward P. Smith

+1 (212) 408-5371

esmith@chadbourne.com

www.chadbourne.com

New York Washington Los Angeles Mexico City

London (a multinational partnership) Moscow

St. Petersburg Warsaw Kyiv Almaty Dubai Beijing

CHADBOURNE
& PARKE LLP