

October 28, 2010

2011 Retirement Plan Limits Generally Remain Unchanged

The Internal Revenue Service has announced that cost-of-living adjustments applicable to dollar limitations for qualified retirement plans will generally remain unchanged for 2011, with some exceptions for less commonly-used limitations. The Social Security Administration has announced there will be no cost-of-living adjustments for 2011. The following is a chart showing the commonly-used 2010 and 2011 year limits, which will remain unchanged in 2011.

Type of Limit	2010	2011
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:

Authors

Marjorie M. Glover
+1 (212) 408-1016
mglover@chadbourne.com

Rachel M. Kurth
+1 (212) 408-5185
rkurth@chadbourne.com

For More Information

David Gallai
+1 (212) 408-1033
dgallai@chadbourne.com

Rachel M. Kurth
+1 (212) 408-5185
rkurth@chadbourne.com

Marjorie M. Glover
+1 (212) 408-1016
mglover@chadbourne.com

Edward P. Smith
+1 (212) 408-5371
esmith@chadbourne.com

About Chadbourne & Parke LLP

Chadbourne & Parke LLP, an international law firm headquartered in New York City, provides a full range of legal services, including mergers and acquisitions, securities, project finance, private funds, corporate finance, venture capital and emerging companies, energy/renewable energy, communications and technology, commercial and products liability litigation, arbitration/IDR, securities litigation and regulatory enforcement, special investigations and litigation, intellectual property, antitrust, domestic and international tax, insurance and reinsurance, environmental, real estate, bankruptcy and financial restructuring, executive compensation and employee benefits, employment law and ERISA, trusts and estates and government contract matters. Major geographical areas of concentration include Russia, Central and Eastern Europe, the Middle East and Latin America. The Firm has offices in New York, Washington, DC, Los Angeles, Mexico City, São Paulo, London, Moscow, St. Petersburg, Warsaw, Kyiv, Almaty, Dubai and Beijing. For additional information, visit: <http://www.chadbourne.com/>