

# Employee Benefits Action Alert

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## ▶ The Internal Revenue Service and Social Security Administration Announce 2009 Cost of Living Adjustments.

The Internal Revenue Service and Social Security Administration have announced the 2009 cost of living adjustments for purposes of retirement plan benefit and employment tax limitations.

The limits for 2009, as well as the limits in effect for 2005, 2006, 2007 and the current year are set forth below:

Retirement Plan Limits for 2005-2009

Limit	2009	2008	2007	2006	2005
Annual Compensation Limit	\$245,000	\$230,000	\$225,000	\$220,000	\$210,000
Elective Deferrals to 401(k) and 403(b) Plans	\$16,500	\$15,500	\$15,500	\$15,000	\$14,000
Age 50 Catch-up Contributions	\$5,500	\$5,000	\$5,000	\$5,000	\$4,000
Annual Additions to Defined Contribution Plans	\$49,000	\$46,000	\$45,000	\$44,000	\$42,000
Annual Limits for Defined Benefit Plans	\$195,000	\$185,000	\$180,000	\$175,000	\$170,000
Highly Compensated Employee Definition	\$110,000	\$105,000	\$100,000	\$100,000	\$95,000
Taxable Wage Base	\$106,800	\$102,000	\$97,500	\$94,200	\$90,000

### The Author



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