

Cost-of-Living Adjustments Increase Limits

The following rates become effective January 1, 2012

401(k), 403(b), 457 Deferral Limit	\$ 17,000
401(k), 403(b), 457 Catch-up Contribution Limit	\$ 5,500
IRA Contribution Limit	\$ 5,000
IRA Catch-up Contribution Limit	\$ 1,000
SIMPLE Deferral Limit	\$ 11,500
SIMPLE 401(k) and IRA Catch-up Contribution Limit	\$ 2,500
Annual Compensation Limit	\$250,000
Defined Benefit 415 Limit	\$200,000
Defined Contribution 415 Limit	\$ 50,000
Dollar Limit for HCE	\$115,000
Dollar Limit for Key Employee	\$165,000
Compensation Limit for SEP Eligibility	\$ 550
Social Security Wage Base	\$110,100

For additional information or to discuss how these changes directly apply to your plan and/or participants, please contact Nicole Brown at nbrown@sdkcpa.com, or 612.332.9372, or Valorie Mussehl at vmussehl@sdkcpa.com, or 612.332.9329.

This publication is designed to provide accurate and authoritative information in regard to the subject matter covered. It is provided with the understanding that it does not constitute tax, legal, accounting or other professional service. The new rules are complex and we urge you to seek professional assistance before acting on anything you read in this summary.

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