



RAYMOND, REEVES & STOUT, LLP
Pension and Financial Services

The Economic Growth and Tax Relief Reconciliation Act of 2001 (EGTRRA) - maximum dollar limits

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Elective deferral limit:	10,500	11,000	12,000	13,000	14,000	15,000	15,500	15,500	16,500	
Catch-up contribution for 50+:		1,000	2,000	3,000	4,000	5,000	5,000	5,000	5,500	
Simple IRA/401(k) limit:	6,500	7,000	8,000	9,000	10,000	10,000	10,500	10,500	11,500	
Catch-up contribution for 50+:		500	1,000	1,500	2,000	2,500	2,500	2,500	2,500	
Traditional & Roth IRA contributions:	2,000	3,000	3,000	3,000	4,000	4,000	4,000	5,000	5,000	
Catch-up contribution for 50+:		500	500	500	500	1,000	1,000	1,000	1,000	
Compensation limit (years beginning):	170,000	200,000	200,000	205,000	210,000	220,000	225,000	230,000	245,000	
Annual additions limit (DC plans, years ending):	25% or 35,000	100% or 40,000	100% or 40,000	100% or 41,000	100% or 42,000	100% or 44,000	100% or 45,000	100% or 46,000	100% or 49,000	
Annual additions limit including Catch-up (DC plans, years ending):	25% or 35,000	100% or 41,000	100% or 42,000	100% or 44,000	100% or 46,000	100% or 49,000	100% or 50,000	100% or 51,000	100% or 54,500	
Annual benefit limit (DB plans, years ending):	140,000	160,000*	160,000*	165,000*	170,000*	175,000*	180,000*	185,000*	195,000*	

* Reduced for NRA < 62

Other - maximum dollar limits

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Wage Base (SS = 6.20%, Medicare = 1.45%)	80,400	84,900	87,000	87,900	90,000	94,200	97,500	102,000	106,800
Highly Compensated EE (lookback year)	85,000	90,000	90,000	90,000	95,000	100,000	100,000	105,000	110,000
Annual Compensation Limit for Key EE	70,000	130,000	130,000	130,000	135,000	140,000	145,000	150,000	160,000
Compensation limit for SEP Coverage	450	450	450	450	450	450	500	500	550

Top heavy rules:

A plan, including a 401(k) Plan, is Top Heavy if more than 60% of the Plan's benefits are allocated to Key Employees. A Key Employee is anyone who is 1) a more than 5% owner, 2) Any officer with compensation in excess of \$150,000 (as indexed above), or 3) A more than 1% owner with compensation in excess of \$150,000

Once a Plan becomes Top Heavy specific minimum benefits and minimum vesting must be provided to all eligible non-Key Employees.

Hardship withdrawal criteria: 1) Medical expenses of employee (EE), spouse (Sp) or dependents (Dep). 2) Purchase of EE's principal residence. 3) Payment of tuition and related education costs for next 12 months for EE, Sp or Dep. 4) To prevent eviction or foreclosure of EE from principal residence. 5) Funeral or burial expenses for EE's parents, Sp or Dep. 6) Expenses for repair of EE's principal residence qualifying as casualty deduction.