

2010 IRS and Social Security Limits for Benefit Plans

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Here is your latest FYI: Employee Benefits Update from Cindy Van Bogaert, Partner and Chair of the Employee Benefits Practice Group at Boardman Law Firm LLP.

The IRS announced its 2010 cost-of-living adjustments for pension plans in a release dated October 15, 2009. These limits also affect some aspects of non-pension benefit plans. (See:

<http://www.irs.gov/newsroom/article/0,,id=214321,00.html>)

Some of the limits covered in the announcement include:

- The deferral limit under Code Section 402(g) is unchanged at \$16,500 in 2010. (Catch up contributions are unchanged at \$5,500 in 2010.)
- The compensation limit under Code Section 401(a)(17) is unchanged at \$245,000 in 2010.
- The annual addition contribution limit under Code Section 415 for individuals in 401(k) plans is unchanged at \$49,000 in 2010.
- The highly compensated employee limit under Code Section 414(q) is unchanged at \$110,000 in 2010.
- The limit used in determining officer key employees under Code Section 416 is unchanged at \$160,000 in 2010.

The Social Security Wage Base (maximum earnings taxable) for 2010 is unchanged at \$106,800. (See

<http://www.ssa.gov/pressoffice/factsheets/colafacts2010.htm>.)

The qualified transportation monthly limits for 2010 are \$230 for transit passes and \$230 for parking. (See Rev. Proc. 2009-66.)

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