

Rosen Seymour Shapss Martin & Company LLP
Certified Public Accountants & Profitability Consultants

Employee Benefits and Executive Compensation Services Group

RSSM Alert

**Plan Limits for 2010
 Cost of Living Adjustments**

Dear Client and Friends of the Firm:

Based on the Consumer Price Index, the Internal Revenue Service and the Social Security Administration have announced the cost-of-living adjusted figures for various types of retirement plans, social security and other benefits for 2010. In most cases, there has been no changes from 2009. All changes are highlighted in **bold**.

Below is a comparison of the various limits effective for 2010 and 2009:

Maximum:	<u>2010</u>	<u>2009</u>
Annual compensation that can be considered, including Simplified Employee Pension (SEP) plans	\$ 245,000	\$ 245,000
Annual benefit for participants of defined benefit plans, age 65 and older	\$ 195,000	\$ 195,000
Annual contributions to a defined contribution plan (not to exceed 100% of compensation)	\$ 49,000	\$ 49,000
Elective deferrals to a 401(k), 403(b) or 457 plan	\$ 16,500	\$ 16,500
"Catch-up" deferrals to a 401(k), 403(b), 457 or SEP plan for participants age 50 and above at the end of the plan year	\$ 5,500	\$ 5,500
Contribution to a SIMPLE plan	\$ 11,500	\$ 11,500
"Catch-up" deferrals to a SIMPLE plan	\$ 2,500	\$ 2,500
IRA (including ROTH IRA) contributions	\$ 5,000	\$ 5,000
"Catch-up" contributions to an IRA/Roth IRA	\$ 1,000	\$ 1,000
Wages subject to Social Security (OASDI) Tax	\$ 106,800	\$ 106,800

Wages subject to Medicare (HI) Tax	no limit	no lir
Monthly Qualified Transportation Fringe Benefits:		
Transit Passes	\$ 230	\$120/2
Vanpool expenses	\$ 230	\$120/2
Parking	\$ 230	\$ 2
*increased March 2009 by the American Recovery and Reinvestment Act		

In addition to the above, the following apply:

Minimum annual compensation required for employee to be included in a Simplified Employee Pension (SEP) Plan.	\$ 550	\$
Highly Compensated Employee (HCE) threshold	\$ 110,000	\$ 110
The phaseout range for deductible IRA contributions for active participants in an employer sponsored plan begins at-		
Married Filing Jointly or Qualified Widow(er)	\$ 89,000	\$ 89
Single or Head of Household	\$ 56,000	\$ 55
Married Filing Separately	0	
The phaseout range for deductible IRA contributions for taxpayers who are not active participants but are married to an active participant begins at	\$ 167,000	\$ 166
The phaseout range for allowable ROTH IRA contributions begins at-		
Married Filing Jointly or Qualified Widow(er)	\$ 167,000	\$ 166
Single or Head of Household	\$ 105,000	\$ 105
Married Filing Separately	0	

Should you have any questions please feel free to contact me at 212-303-1806 or e-mail me at aneumark@rsmcpa.com.

Sincerely,
Rosen Seymour Shapss Martin & Company LLP

Avery E. Neumark, CPA, JD
Partner-in-Charge of Employee Benefits and Executive Compensation

[Forward email](#)

✉ [SafeUnsubscribe®](#)

This email was sent to amorris@rsmcpa.com by amorris@rsmcpa.com.
[Update Profile/Email Address](#) | Instant removal with [SafeUnsubscribe™](#) | [Privacy Policy](#).

Email Marketing by



Rosen Seymour Shapss Martin & Company LLP | 757 Third Avenue | New York | NY | 10017