

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

*Employee Benefits and Executive Compensation Services  
 Group*

**RSSM Alert**

**Plan Limits for 2008  
 Cost of Living Adjustments**

To Clients and Friends of the Firm:

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 2008. Below is a comparison of the various limits effective for 2008 and 2007:

<b>Maximum:</b>	<u>2008</u>	<u>2007</u>
Annual compensation that can be considered, including Simplified Employee Pension (SEP) plans	\$230,000	\$225,000
Annual benefit for participants of defined benefit plans, age 65 and older	\$185,000	\$180,000
Annual contributions to a defined contribution plan (not to exceed 100% of compensation)	\$46,000	\$45,000
Elective deferrals to a 401(k), 403(b) or 457 plan	\$15,500	\$15,500
"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	\$5,000	\$5,000
Contribution to a SIMPLE plan	\$10,500	\$10,500
"Catch-up" deferrals to a SIMPLE plan	\$2,500	\$2,500
IRA (including ROTH IRA) contributions	\$5,000	\$4,000
"Catch-up" contributions to an IRA/Roth IRA	\$1,000	\$1,000
Wages subject to Social Security (OASDI) Tax	\$102,000	\$97,500

Wages subject to Medicare (HI) Tax	Unlimited	Unlimited
Social Security Monthly Benefit Paid at Full Retirement Age	\$2,185	\$2,116
<b>Monthly</b> Qualified Transportation Fringe Benefits:		
Transit Passes	\$115	\$110
Vanpool expenses	\$115	\$110
Parking	\$220	\$215

**In addition to the above, the following apply:**

<b>Minimum</b> annual compensation required for employee to be included in a Simplified Employee Pension (SEP) Plan.	\$500	\$500
Highly Compensated Employee (HCE) threshold	\$105,000	\$100,000
The phaseout range for deductible IRA contributions for active participants in an employer sponsored plan <b>begins</b> at		
Married Filing Jointly	\$85,000	\$83,000
Single or Head of Household	\$53,000	\$52,000
Married Filing Separately	\$0	\$0
The phaseout range for deductible IRA contributions for taxpayers who are not active participants but are married to an active participant <b>begins</b> at		
	\$159,000	\$156,000
The phaseout range for allowable ROTH IRA contributions <b>begins</b> at		
Married Filing Jointly	\$159,000	\$156,000
Single or Head of Household	\$101,000	\$99,000
Married Filing Separately	\$0	\$0

Should you have any questions please feel free to contact me at 212-303-1806 or e-mail me at [aneumark@rsmcpa.com](mailto: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@rssmcpa.com, by [amorris@rssmcpa.com](mailto:amorris@rssmcpa.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