

**KEY DOLLAR LIMITS ON CONTRIBUTIONS AND BENEFITS
REMAIN ESSENTIALLY UNCHANGED FOR 2011**

Every year the Internal Revenue Service announces the cost-of-living adjustments applicable to qualified retirement plan for the following year. The limits will remain unchanged for the second consecutive year.

Similarly, the Social Security Administration announced that there will be no automatic increase in Social Security and SSI benefits or the taxable wage base because there was no increase in the Consumer Price Index.

The table below highlights some of the new limits effective January 1, 2011 and compares them to 2010.

Limitation	2011	2010
Annual Deferral Limit for 401(k), 403(b), and 457(b) Plans	\$16,500	\$16,500
Age 50 Catch-Up for 401(k), 403(b), and 457(b) Plans	\$11,500	\$11,500
Defined Contribution Annual Allocation Limit	\$49,000	\$49,000
Defined Benefit Maximum Annual Benefit	\$195,000	\$195,000
Annual Compensation Limit for Retirement Plan Purposes	\$245,000	\$245,000
Highly Compensated Employee (HCE) Threshold	\$110,000	\$110,000
Key Employee/Officer	\$160,000	\$160,000
SIMPLE Contribution Limit	\$11,500	\$11,500
SIMPLE Catch-Up Contributions	\$2,500	\$2,500
SEP Coverage	\$550	\$550
SEP Compensation Limit	\$245,000	\$245,000
Social Security Wage Base	\$106,800	\$106,800
AGI for Saver's Credit Eligibility	\$56,500 Joint; \$28,250 Single; \$42,375 Head of Household	\$55,500 Joint; \$27,750 Single; \$41,625 Head of Household

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