

IRS Announces 2009 Pension and Related Limitations

On October 16, 2008, the Internal Revenue Service announced cost-of-living adjustments applicable to dollar limitations for pension plans and other items beginning January 1, 2009.

Section 415 of the Internal Revenue Code provides for dollar limitations on benefits and contributions under qualified retirement plans.

These limitations are adjusted annually to reflect cost-of-living increases. Many other limitations applicable to retirement plans are adjusted at the same time and in the same manner as the Section 415 limit. The amounts to be applied for 2009 are listed below.

Also included are the 2008 amounts for comparison purposes.

LIMITATION	2008 AMOUNT	2009 AMOUNT
Maximum Annual Compensation taken into account for determining benefits or contributions to a qualified plan	\$230,000	\$245,000
Basic Elective Deferral Limitation for 401(k), 403(b) and 457(b) Plans	\$15,500	\$16,500
Catch-up Contribution Limit for Persons Age 50 older in 401(k), 403(b) or SARSEP Plans	\$5,000	\$5,500