

## 2010 Retirement Limits

### THE FOLLOWING HIGHLIGHTS THE CHANGES BEGINNING IN 2010 FOR DOLLAR LIMITATIONS ON QUALIFIED PENSION PLANS, SOCIAL SECURITY AND MEDICARE DEDUCTIBLES/PREMIUMS.

The Internal Revenue Service provides dollar limitations on benefits and contributions under qualified retirement plans. It also allows these limitations to be adjusted annually for cost-of-living increases. Many of the limitations remained the same in 2010 as they were in 2009 because the increase in the cost-of-living index did not trigger an adjustment in most of the contribution amounts.

The Social Security Administration (SSA) generally increases the maximum taxable earnings under the Social Security portion (OASDI) of Social Security and Medicare each year. The SSA also provides cost-of-living adjustments for Social Security beneficiaries based on the changes in the Consumer Price Index (CPI). For 2010, however, beneficiaries will receive no increase over their 2009 benefit. Medicare premiums and deductibles are also adjusted annually and shown below.

	2009	2010
<b>IRS LIMITATIONS</b>		
Maximum annual compensation limit	\$245,000	\$245,000
Maximum annual benefit under DB plan	\$195,000	\$195,000
Maximum annual contribution under DC plan	\$49,000	\$49,000
Highly compensated employee limit	\$110,000	\$110,000
Maximum 401(k) elective deferral limit	\$16,500	\$16,500
Maximum 403(b)/457(b) elective deferral limit	\$16,500	\$16,500
Catch-up contribution for individuals over 50	\$5,500	\$5,500
<b>SOCIAL SECURITY</b>		
Maximum taxable earnings	\$106,800	\$106,800
Benefit Cost-of-Living Adjustment (COLA)	5.8%	0.0%
Maximum annual benefit	\$26,064	\$26,292
<b>MEDICARE</b>		
Part A deductible	\$1,068	\$1,100
Part B deductible	\$135	\$155

	2009	2010
<b>PART A COINSURANCE</b>		
1-60 days	\$0	\$0
61-90 days	\$267	\$275
Lifetime reserve	\$534	\$550
Part B premium*	\$96.40	\$96.40

\*Beneficiaries with higher incomes may be subject to an additional income-related premium

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