



IRS Announces 2008 Plan Limits

The Internal Revenue Service has announced the inflation adjusted limits for retirement plans for 2008. Many of the limitations have increased from the 2007 limits.

	2007 Limit	2008 Limit
401(k)/403(b) Contributions*	\$15,500	\$15,500
457(b) Limit	\$15,500	\$15,500
Catch-up Contributions	\$5,000	\$5,000
Compensation Limit**	\$225,000	\$230,000
Highly Compensated Employees**	\$100,000	\$105,000
Key Employee Officer Compensation**	\$145,000	\$150,000
Maximum Annual Benefit Defined Benefit Plan**	\$180,000	\$185,000
Maximum Annual Contribution Defined Contribution Plan**	\$45,000	\$46,000
ESOP Limits		
Dollar limit for determining lengthening of 5-year period*	\$180,000	\$185,000
Dollar amount for determining max. amount subject to 5-year distribution*	\$915,000	\$935,000
Maximum SIMPLE contribution	\$10,500	\$10,500
FICA Wage Base ***	\$97,500	\$102,000

*Calendar year limitation

**For plan years beginning in the calendar year. Also applicable to Code Section 409A.

***Calendar year limitation for FICA withholding purposes and for plan years beginning in the calendar year for retirement plan purposes.

If you have any questions or wish to discuss the application of these limits to your plan, please contact the Seyfarth Shaw LLP employee benefits attorney with whom you regularly work or any employee benefits attorney on our website at www.seyfarth.com.

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