

IRS Announces 2008 Retirement Plan Limits



In News Release IR-2007-171 (October 18, 2007), the IRS set forth new limits on benefits and contributions that were modified, either due to cost-of-living adjustments or due to EGTRRA-mandated changes, for 2008. We are pleased to summarize the new limits and provide historical context.

Type of Limitation	2008	2007	2006	2005	2004	2003
401(k) and 403(b) Elective Deferrals (not including adjustments and catch-ups)	\$ 15,500	\$ 15,500	\$ 15,000	\$ 14,000	\$ 13,000	\$ 12,000
457 Plan Limits (not including catch-ups)	15,500	15,500	15,000	14,000	13,000	12,000
Catch-Up Deferrals to 401(k), 403(b), 457(b), or SARSEP Plans	5,000	5,000	5,000	4,000	3,000	2,000
Annual Defined Benefit Plan (age 62 with 10+ yrs. of plan participation)	185,000	180,000	175,000	170,000	165,000	160,000
Defined Contribution Plan (to include SEP-IRA)	46,000	45,000	44,000	42,000	41,000	40,000
Annual Compensation Limit (maximum considered compensation)	230,000	225,000	220,000	210,000	205,000	200,000
Highly Compensated Employee (earned in the prior year)	105,000	100,000	100,000	95,000	90,000	90,000
SIMPLE Retirement Accounts (SIMPLE-IRA and SIMPLE 401(k) Plans)	10,500	10,500	10,000	10,000	9,000	8,000
Catch-Up Deferrals to Simple IRA Plan	2,500	2,500	2,500	2,000	1,500	1,000
Social Security Wage Base	102,000	97,500	94,200	90,000	87,900	87,000

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