

2012 Limits for Retirement Benefits and Contributions

On October 20, 2011, the IRS announced cost of living adjustments affecting dollar limitations for pension plans and other retirement-related items for Tax Year 2012. In general, many of the pension plan limitations will change for 2012 because

Benefit/Contribution	2012 Limit	2011 Limit
Elective Deferral Limit (401(k)/403(b)/and 457 plans)	\$17,000	\$16,500
Catch-Up Contributions ¹	\$5,500	\$5,500
Defined Contribution Dollar Limit	\$50,000	\$49,000
Annual Compensation Limit	\$250,000	\$245,000
Highly Compensated Employee (HCE) Income Limit ²	\$115,000	\$110,000
Key Employee Officer Compensation	\$165,000	\$160,000
Social Security Taxable Wage Base	\$110,100	\$106,800
SIMPLE Contribution Limit	\$11,500	\$11,500
SIMPLE Catch-Up Contributions	\$2,500	\$2,500
Defined Benefit Dollar Limit	\$200,000	\$195,000

the increase in the cost-of-living index met the statutory thresholds that trigger their adjustment. Some remain the same.

¹ In order to be eligible for catch-up contributions, employees must be age 50 or older during the calendar year.

² A "highly compensated employee" (HCE) for the 2012 year is defined as an employee who had compensation in excess of \$110,000 in 2011. An employee with compensation in excess of \$115,000 in 2012 will be considered an HCE in 2013.

