



Alert

Employee Benefits and Executive Compensation Client Service Group

To: Our Clients and Friends

October 19, 2012

Qualified Plan Limits

Type of Limitation	2013	2012	2011	2010
Elective Deferrals (401(k), 403(b), 457(b)(2) and 457(c)(1))	\$17,500	\$17,000	\$16,500	\$16,500
Section 414(v) Catch-Up Deferrals to 401(k), 403(b), 457(b), or SARSEP Plans (457(b)(3) and 402(g) provide separate catch-up rules to be considered as appropriate)	\$5,500	\$5,500	\$5,500	\$5,500
SIMPLE 401(k) or regular SIMPLE plans, Catch-Up Deferrals	\$2,500	\$2,500	\$2,500	\$2,500
415 limit for Defined Benefit Plans	\$205,000	\$200,000	\$195,000	\$195,000
415 limit for Defined Contribution Plans	\$51,000	\$50,000	\$49,000	\$49,000
Annual Compensation Limit	\$255,000	\$250,000	\$245,000	\$245,000
Annual Compensation Limit for Grandfathered Participants in Governmental Plans Which Followed 401(a)(17) Limits (With Indexing) on July 1, 1993	\$380,000	\$375,000	\$360,000	\$360,000
Highly Compensated Employee 414(q)(1)(B)	\$115,000	\$115,000	\$110,000	\$110,000
Key employee in top heavy plan (officer)	\$165,000	\$165,000	\$160,000	\$160,000
SIMPLE Salary Deferral	\$12,000	\$11,500	\$11,500	\$11,500
Maximum ESOP Account Balance Subject to 5-Year Distribution Period	\$1,035,000	\$1,015,000	\$985,000	\$985,000
Amount Used to Determine Lengthening of ESOP 5-Year Distribution Period	\$205,000	\$200,000	\$195,000	\$195,000
Taxable Wage Base	\$113,700	\$110,100	\$106,800	\$106,800
FICA Tax for employees and employers	7.65%	7.65%	7.65%	7.65%
Social Security Tax for employees	6.2%**	4.2%*	4.2%*	6.2%
Social Security Tax for employers	6.2%	6.2%	6.2%	6.2%
Medicare Tax for employers and employees	1.45%	1.45%	1.45%	1.45%
Additional Medicare Tax***	0.9% of comp > \$200,000	-	-	-

*This figure reflects a 2% reduction in the rate of tax for employees pursuant to the Tax Relief Act of 2010.

**Note that the 2% reduction of the 6.2% tax rate for 2011 & 2012 is set to expire on 12/31/12. There is speculation that the reduction may be extended into 2013; therefore, this rate may change following the date of this publication.

***For taxable years beginning after 12/31/12, an employer must withhold Additional Medicare Tax on wages or compensation paid to an employee in excess of \$200,000 in a calendar year.

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