

Dollar Limits for Defined Benefit and Defined Contribution Plans

Limit Description	2007	2006	2005	2004
402(g) Elective Deferral Limit: * (not including catch up)				
403(b)**/401(k)/SARSEP	\$15,500	\$15,000	\$14,000	\$13,000
SIMPLE IRA or SIMPLE 401(k)	\$10,500	\$10,000	\$10,000	\$9,000
457 Contribution Limit:*** (Not including catch up amounts)				
Regular dollar limit for deferrals and employer contributions	\$15,500	\$15,000	\$14,000	\$13,000
414(v) Catch-up Contribution: (for age 50 or older)				
403(b), 401(k) (non-SIMPLE), governmental 457(b)	\$5,000	\$5,000	\$4,000	\$3,000
SAR-SEP plans: SIMPLE IRA and SIMPLE 401(k)	\$2,500	\$2,500	\$2,000	\$1,500
402(g)(7)Cap Expansion for eligible 403(b) employers:	\$3,000	\$3,000	\$3,000	\$3,000
415 Annual Addition Limits:				
415(b)(1)(A) Defined Benefit Plan Limit	\$180,000	\$175,000	\$170,000	\$165,000
415 Defined Contribution	\$45,000	\$44,000	\$42,000	\$41,000
414(q) Highly Compensated Employees: ****				
\$45,000 Threshold (Officers)	N/A	N/A	N/A	N/A
\$50,000 Threshold (Top 20%)	N/A	N/A	N/A	N/A
\$75,000 Threshold (All Employees 414(q)(1)(B))	\$100,000	\$100,000	\$95,000	\$90,000
401(a)(17) Compensation Limit:	\$225,000	\$220,000	\$210,000	\$205,000
Social Security Wage Base:				
Old Age, Survivors, Disability	\$97,500	\$94,200	\$90,000	\$87,900
Medicare	No Cap	No Cap	No Cap	No Cap
Social Security Tax Rates:				
Old Age, Survivors, Disability	6.20%	6.20%	6.20%	6.20%
Medicare	1.45%	1.45%	1.45%	1.45%

*The 402(g) limit applies to the total of both pre-tax and Roth 403(b) and 401(k) contributions.

**The 402(g)(7) (previously 402(g)(8)) cap expansion limit for eligible employees of eligible employers is not indexed and remains at \$3,000, which if eligible is added onto the 402(g)(1) limit of \$15,500. The total 402(g)(7) cap expansion limit is \$18,500 for 2007. Certain individuals may also be eligible for age-based catch-up, which is \$5,000 in 2007. See Tax Alert #287. Current law permits certain participants to use cap expansion and age-based catch-up in the same years for a combined maximum of up to \$23,500 in 2007.

***The 457(b)(3) catch-up limit for 1 or more of the participant's last 3 taxable years ending before attaining normal retirement age under the plan is twice the 457 regular dollar limit (\$15,500 for 2007). Certain individuals participating in governmental 457(b) plans may be eligible for the additional age-based catch-up, which remains at \$5,000 for 2007. See Tax Alert #287. A participant who is eligible for both the regular catch-up and the age-based catch-up is only permitted to utilize one of the two catch-up, not both.

**** Section 414(q). Under current law, an HCE is defined as an employee who; 1) is or was a 5-percent owner during the current or preceding year; or 2) for the preceding plan year, had compensation from the employer greater than the limit for the preceding year. The limit for off-calendar plan years is the limit in effect for the year before the plan year begins.

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