

To: Clients and Advisors

From: Pentec, Inc.

Re: New Limits for Qualified Plans for 2010!

The IRS has published the new limits for qualified plans for the 2010 plan year! Most of the limits remain unchanged from last year!

In a 401(k) plan for the plan year 2010, a participant can contribute the following:

Under Age 50:	\$16,500.00
Over Age 50:	\$22,000.00

We have listed the new 2010 limits on the back of this page along with a comparison to 2007 to 2008 and 2009.

For the 2010 Calendar Year, the estimated deductible contributions to a defined benefit plan are as follows:

Contributions (funded over RA-EA using 2001-62 mort & 5.5% interest):

Entry Age	Retirement Age	<i>Highest 3-Year Average Compensation</i>				
		\$50,000	\$100,000	\$150,000	\$200,000	\$245,000
35	55	\$18,798	\$40,834	\$47,981	\$47,981	\$47,981
40	55	\$29,250	\$58,499	\$68,737	\$68,737	\$75,905
45	55	\$50,907	\$101,814	\$119,633	\$119,633	\$136,841
50	62	\$35,063	\$70,126	\$105,189	\$136,746	\$153,644
55	62	\$69,498	\$138,995	\$189,728	\$189,728	\$227,708
60	65	\$96,070	\$187,336	\$187,336	\$187,336	\$240,782
65	70	\$84,038	\$168,077	\$205,894	\$205,894	\$264,635

Qualified Plan Limits

	2010	2009	2008	2007
<u>Qualified Plan Limits:</u>				
401(k), 403(b) and SARSEP Maximum Deferral [402(g)]	\$ 16,500	\$ 16,500	\$ 15,500	\$ 15,500
457 Maximum Deferral	\$ 16,500	\$ 16,500	\$ 15,500	\$ 15,500
Catch-Up for 401(k), 403(b) SARSEP and 457	\$ 5,500	\$ 5,500	\$ 5,000	\$ 5,000
SIMPLE Election Maximum Deferral	\$ 11,500	\$ 11,500	\$ 10,500	\$ 10,500
Catch-Up for SIMPLER	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500
Defined Benefit Annual Limit	\$ 195,000	\$ 195,000	\$ 185,000	\$ 180,000
Defined Contribution Annual Addition	\$ 49,000	\$ 49,000	\$ 46,000	\$ 45,000
<u>Compensation Limits:</u>				
Maximum Compensation	\$ 245,000	\$ 245,000	\$ 230,000	\$ 225,000
SEP Annual Compensation Floor	\$ 550	\$ 550	\$ 500	\$ 500
<u>Highly Compensated Employees:</u>				
Any Employee Compensation	\$ 110,000	\$ 110,000	\$ 105,000	\$ 100,000
<u>Key Employees:</u>				
Officer Compensation	\$ 160,000	\$ 160,000	\$ 150,000	\$ 145,000
1% Owner	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000
<u>ESOP Distribution:</u>				
Threshold Account Balance	\$ 985,000	\$ 985,000	\$ 935,000	\$ 915,000
One Year Extension Threshold	\$ 195,000	\$ 195,000	\$ 185,000	\$ 180,000
<u>Social Security:</u>				
Taxable Wage Base	\$ 106,800	\$ 106,800	\$ 102,000	\$ 97,500
Maximum Monthly Benefit at Social Security Normal Retirement Age	\$ 2,323	\$ 2,323	\$ 2,185	\$ 2,116
<u>PBGC:</u>				
PBGC Maximum Monthly Benefit	\$ 4,500.00	\$ 4,500.00	\$ 4,312.50	\$ 4,125.00