

**MOSS & BARNETT, A PROFESSIONAL ASSOCIATION
2007 DOLLAR LIMITS FOR QUALIFIED RETIREMENT PLANS**

IRS Limits on Benefits and Compensation

DESCRIPTION	2005	2006	2007
401(k) Plan or 457 Plan maximum deferral in the calendar year	\$14,000	\$15,000	\$15,500
401(k) Plan maximum additional “catch-up” deferral for a participant age 50 and older in the calendar year	\$4,000	\$5,000	\$5,000
Defined contribution plan maximum annual additions to a participant’s account (excluding “catch-up” contributions for those age 50 or older) is the lesser of 100% of compensation or	\$42,000	\$44,000	\$45,000
Compensation “cap” for plan purposes	\$210,000	\$220,000	\$225,000
Maximum calendar year deferral to a SIMPLE 401(k)/IRA (only for employers with fewer than 100 full time employees)	\$10,000	\$10,000	\$10,500
Defined benefit plan maximum annual benefit	\$170,000	\$175,000	\$180,000
An employee is a Highly Compensated Employee (HCE)* if in the “top-paid 20%”** of all employees and receives annual compensation in the prior calendar year of more than	\$95,000 (in 2004)	\$100,000 (in 2005)	\$100,000 (in 2006)

* An employee who is a 5% shareholder during the current or prior plan year is always classified as a Highly Compensated Employee (HCE), regardless of compensation.

** Optional additional classification factor

Social Security and Medicare Wage Bases and Tax Percentages

DESCRIPTION	2005	2006	2007
Payroll Tax – Social Security (double for self-employed)	6.20%	6.20%	6.20%
Payroll Tax – Medicare (no limit on wage base) (double for self-employed)	1.45%	1.45%	1.45%
Taxable Wage Base – Social Security (Maximum integration level of integrated plans is determined on the first day of the Plan Year.)	\$90,000	\$94,200	\$97,500

These are additional technical rules, limits and details that may apply to your situation.

Please call Art Glassman at 612-877-5272 or e-mail: GlassmanA@moss-barnett.com with any questions.