

October 2007

**IRS Announces 2008 Benefit Limitations**

The Internal Revenue Service has announced the 2008 benefit limits for pension plans and other tax benefits. Below are some of the 2008 benefit limits along with the limits for 2007 and 2006.

	<b><u>2008</u></b>	<b><u>2007</u></b>	<b><u>2006</u></b>
<b><u>Code § 402(g)(1)</u></b>			
401(k) Elective Deferrals	\$15,500	\$15,500	\$15,000
<b><u>Code § 415(b)(1)(A)</u></b>			
Annual Benefit under Defined Benefit Plan	\$185,000	\$180,000	\$175,000
<b><u>Code § 415(c)(1)(A)</u></b>			
Annual Limitation under Defined Contribution Plan	\$46,000	\$45,000	\$44,000
<b><u>Code § 401(a)(17), 404(l), 408(k)(3)(C) &amp; 408(k)(6)(D)(ii)</u></b>			
Annual Compensation Limit	\$230,000	\$225,000	\$220,000
<b><u>Code § 416(i)(1)(A)(i)</u></b>			
Definition of Key Employee	\$150,000	\$145,000	\$140,000
<b><u>Code § 409(o)(1)(C)(ii)</u></b>			
ESOP Maximum Account Balance subject to 5 Year Distribution Period	\$935,000	\$915,000	\$885,000
Dollar Amount Used to Determine the Lengthening of 5 Year Distribution Period	\$185,000	\$180,000	\$175,000
<b><u>Code § 414(q)(1)(B)</u></b>			
Definition of Highly Compensated Employee	\$105,000	\$100,000	\$100,000
<b><u>Code § 414(v)(2)(B)(i)</u></b>			
Catch-Up Contributions	\$5,000	\$5,000	\$5,000
<b><u>Code § 408(k)(2)(C)</u></b>			
SEP Minimum Compensation	\$500	\$500	\$450
<b><u>Code § 408(p)(2)(E)</u></b>			
SIMPLE Employee Deferrals	\$10,500	\$10,500	\$10,000
<b><u>Code § 132(f) – Qualified Transportation Fringe Benefits</u></b>			
Parking Expenses	\$220	\$215	\$205
Transit & Vanpooling Expenses	\$115	\$110	\$105
<b><u>Social Security Wage Base</u></b>			
Maximum Earnings Taxable	\$102,000	\$97,500	\$94,200

Manes M. Merrit	212-451-2330
Nina Krauthamer	212-451-2242
Barry L. Salkin	212-451-2212
Annette Messano	212-451-2370

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