RETIREMENT PLAN LIMITS FOR 2012

Gallagher Retirement Services
a Division of Gallagher Benefit Services, Inc.

COST-OF-LIVING ADJUSTMENTS FOR 2012

On October 20, 2011 the Internal Revenue Service announced cost of living adjustments applicable to dollar limitations for retirement plans for 2012. Gallagher Retirement Services has prepared the following chart showing the new limits for 2012, and how those limits have changed over the years.

APPLICABLE DOLLAR LIMIT	2012	2011	2010	2009	2008	2007	2006	2005	2004
Total contribution limit for defined contribution plans 415(c)(1)(A)	**$50,000**	$49,000	$49,000	$49,000	$46,000	$45,000	$44,000	$42,000	$41,000
Annual benefit limit for defined benefit plans 415(b)(1)(A)	**$200,000**	$195,000	$195,000	$195,000	$185,000	$180,000	$175,000	$170,000	$165,000
Elective deferral limit for 401(k), 403(b) and 457 plans* 402(g)(1), 457(e)(15)	**$17,000**	$16,500	$16,500	$16,500	$15,500	$15,500	$15,000	$14,000	$13,000
Catch-up contribution limit for participants age 50 and over to 401(k), and 403(b) plans**414(v)(2)(B)(i)	**$5,500**	$5,500	$5,500	$5,500	$5,000	$5,000	$5,000	$4,000	$3,000
Maximum compensation limit for qualified retirement plans 401(a)(17)/404(l)	**$250,000**	$245,000	$245,000	$245,000	$230,000	$225,000	$220,000	$210,000	$205,000
Dollar limit used in definition of Highly Compensated Employees 414(q)(1)(B)	**$115,000**	$110,000	$110,000	$110,000	$105,000	$100,000	$100,000	$95,000	$90,000
Dollar limit used in definition of Key Employee 416(i)(1)(A)(i)	**$165,000**	$160,000	$160,000	$160,000	$150,000	$145,000	$140,000	$135,000	$130,000
Annual compensation limit for certain governmental plans that allowed COL adjustments to the limit	**$375,000**	$360,000	$360,000	$360,000	$345,000	$335,000	$325,000	$315,000	$305,000
Maximum account balance in an Employee Stock Ownership Plan (ESOP) subject to a 5-year distribution period 409(o)(1)(C)	**$1,015,000**	$985,000	$985,000	$985,000	$935,000	$915,000	$885,000	$850,000	$830,000
Dollar amount used to determine the lengthening of the 5-year distribution period in an ESOP 409(o)(1)(C)	**$200,000**	$195,000	$195,000	$195,000	$185,000	$180,000	$175,000	$170,000	$165,000
Elective salary deferral limit for SIMPLE retirement accounts 408(p)(2)(E)	**$11,500**	$11,500	$11,500	$11,500	$10,500	$10,500	$10,000	$10,000	$9,000
Maximum amount of earnings subject to Social Security payroll tax	**$110,100**	$106,800	$106,800	$106,800	$102,000	$97,500	$94,200	$90,000	$87,900
Catch-up contribution limit for participants age 50 and over to SIMPLE IRAs and SIMPLE 401(k) plans 414(v)(2)(B)(ii)	**$2,500**	$2,500	$2,500	$2,500	$2,500	$2,500	$2,500	$2,000	$1,500

Source: IR-2011-103

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* For 403(b) plans only, the "15-year cap expansion" can provide for a limit of up to $20,000 in 2012. ** Not applicable to 457(b) plans of tax-exempt employers.

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