



COLA Increases for Dollar Limitations on Benefits and Contributions

[IR-2009-94, Oct. 15, 2009](#) - The Internal Revenue Service announced cost-of-living adjustments applicable to dollar limitations for pension plans and other items for tax year 2010.

Section 415 of the Internal Revenue Code provides for dollar limitations on benefits and contributions under qualified retirement plans. In addition, section 415 requires the Commissioner to annually adjust these limits for cost-of-living increases. Other limitations applicable to deferred compensation plans are also affected by these adjustments. The Economic Growth and Tax Relief Reconciliation Act of 2001 (EGTRRA) reset many of the statutory dollar amounts previously adjusted on an annual basis under section 415 of the Internal Revenue Code. Additionally, other new limitation amounts were added by EGTRRA. Please see our [COLA Increases Table](#) for pre-2003 dollar limitations.

We have also produced a [white paper](#) that discusses the methodology that the Service uses to determine the limitations. This white paper includes the unrounded limitations.

| Code Section | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 | 2003 |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| 401(a)(17)/ 404(l) Annual Compensation | 245,000 | 245,000 | 230,000 | 225,000 | 220,000 | 210,000 | 205,000 | 200,000 |
| 402(g)(1) Elective Deferrals | 16,500 | 16,500 | 15,500 | 15,500 | 15,000 | 14,000 | 13,000 | 12,000 |
| 408(k)(2)(C) SEP Minimum Compensation | 550 | 550 | 500 | 500 | 450 | 450 | 450 | 450 |
| 408(k)(3)(C) SEP Maximum Compensation | 245,000 | 245,000 | 230,000 | 225,000 | 220,000 | 210,000 | 205,000 | 200,000 |
| 408(p)(2)(E) SIMPLE Maximum Contributions | 11,500 | 11,500 | 10,500 | 10,500 | 10,000 | 10,000 | 9,000 | 8,000 |
| 409(o)(1)(C) ESOP Limits | 985,000 195,000 | 985,000 195,000 | 935,000 185,000 | 915,000 180,000 | 885,000 175,000 | 850,000 170,000 | 830,000 165,000 | 810,000 160,000 |
| 414(q)(1)(B) HCE Threshold | 110,000 | 110,000 | 105,000 | 100,000 | 100,000 | 95,000 | 90,000 | 90,000 |
| 414(v)(2)(B)(i) Catch-up Contributions | 5,500 | 5,500 | 5,000 | 5,000 | 5,000 | 4,000 | 3,000 | 2,000 |
| 414(v)(2)(B)(ii) Catch-up Contributions | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,000 | 1,500 | 1,000 |
| 415(b)(1)(A) DB Limits | 195,000 | 195,000 | 185,000 | 180,000 | 175,000 | 170,000 | 165,000 | 160,000 |
| 415(c)(1)(A) DC Limits | 49,000 | 49,000 | 46,000 | 45,000 | 44,000 | 42,000 | 41,000 | 40,000 |
| 416(i)(1)(A)(i) Key EE | 160,000 | 160,000 | 150,000 | 145,000 | 140,000 | 135,000 | 130,000 | 130,000 |
| 457(e)(15) Deferral Limits | 16,500 | 16,500 | 15,500 | 15,500 | 15,000 | 14,000 | 13,000 | 12,000 |
| 1.61-21(f)(5)(i) Control EE | 95,000 | 95,000 | 90,000 | 90,000 | 85,000 | 85,000 | 80,000 | 80,000 |
| 1.61-21(f)(5)(iii) Control EE | 195,000 | 195,000 | 185,000 | 180,000 | 175,000 | 170,000 | 165,000 | 160,000 |
| 219(b)(5)(A) IRA Contribution Limit | 5,000 | 5,000 | 5,000 | 4,000 | 4,000 | 4,000 | 3,000 | 3,000 |
| 219(b)(5)(B) IRA Catch-Up Contributions | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 500 | 500 | 500 |
| TWB | 106,800 | 106,800 | 102,000 | 97,500 | 94,200 | 90,000 | 87,900 | 87,000 |

Page Last Reviewed or Updated: October 15, 2009