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**2010 ANNUAL DOLLAR LIMITS FOR PROFIT SHARING 401(k) PLANS  
 AND MAXIMUM CONTRIBUTION STRATEGIES**

<b>401(k) Contribution Limits</b>			
<b>Calendar Year</b>	<b>Maximum 401(k) Deferral</b>	<b>Catch-up Contribution for Those Attaining Age 50 or Better</b>	<b>Maximum Total 401(k) Contribution for those Age 50 or Better</b>
2010	16,500	5,500	22,000
2009	16,500	5,500	22,000
2008	15,500	5,000	20,500

- Above figures are calendar year limits.
- 401(k) contributions by "Highly Compensated Employees" (HCEs) may be subject to lower limits if you do not have a 401(k) Safe Harbor election in effect. Call us to discuss 401(k) Testing Strategies.
- SIMPLE Plan limits for 2009 are \$11,500 plus \$2,500 catch-up; significantly less than 401(k).

<b>Defined Contribution (i.e., Profit Sharing, Match &amp; 401(k) Combined) Contribution Limits</b>				
	<b>Maximum Defined Contribution Limit (i.e. Profit Sharing, Match &amp; 401(k))</b>	<b>Plus Catch-up Contribution For those 50 or Better</b>	<b>Combined Total Annual Limit</b>	<b>Maximum Compensation Limit</b>
2010	49,000	5,500	54,500	245,000
2009	49,000	5,500	54,500	245,000
2008	46,000	5,000	51,000	230,000

- Your plan must include a 401(k) feature in order to enable owners to reach the "Combined Total Annual Contribution Limit".
- It is helpful for owners to earn "Maximum Compensation" so as to hold down the rate of contribution for staff. Compensation in excess of "Max" is not counted.

<b>Highly Compensated Employee ("HCE") Indexed Limits</b>		
<b>If Compensation in This Year</b>	<b>Equals or Exceeds</b>	<b>Employee will be an HCE In</b>
2010	110,000	2011
2009	110,000	2010
2008	105,000	2009

- 5% Owners & Family Members are HCEs regardless Compensation
- HCEs can be limited to 20% most highly paid if Plan has a "Top Paid Group" election in effect.
- HCE status can create testing problems OR significant planning opportunities. Please call us to discuss.