

## Property Rights and Environmental Initiatives for the Past Two Centuries

On October 20, 2011, the IRS announced cost of living adjustments to the qualified plan dollar limits for 2012. Many of these limits will increase for 2012 because the increase in the cost of living index met the statutory thresholds that trigger an adjustment. Below is a summary of the adjustments to the limits that are generally the most relevant to our clients.

- The elective deferral limit for 401(k), 403(b) and eligible 457 (b) plans increased from \$16,500 to \$17,000.
- The catch-up contribution limit for those age 50 or older remains unchanged at \$5,500.
- The dollar limit on the annual benefit under a defined benefit plan increased from \$195,000 to \$200,000.
- The dollar limit on annual allocations under a defined contribution plan increased from \$49,000 to \$50,000.
- The annual compensation limit increased from \$245,000 to \$250,000.
- The annual compensation limit for eligible participants in certain governmental plans that, as of July 1, 1993, allowed for cost of living adjustments to the annual compensation limit in effect at that time increased from \$360,000 to \$375,000.
- The dollar threshold for highly compensated employee status used in performing various nondiscrimination tests increased from \$110,000 to \$115,000.
- The dollar threshold for key employee status for officers used in performing the top heavy test increased from \$160,000 to \$165,000.



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