



ADS BENEFITS UPDATE

IRS ANNOUNCES COST OF LIVING LIMITS FOR 2012

The Internal Revenue Service has announced cost-of-living adjustments applicable to dollar limitations for pension plans for tax year 2012.

For most of the limitations, the increase in the cost-of-living index met the statutory thresholds that trigger a cost of living increase for 2012.

The contribution and benefit limitations that are effective January 1st, 2012 are:

Limits	2012	2011	2010
Limit on 401(k), 403(b) and 457 elective deferrals	\$17,000	\$16,500	\$16,500
Catch-up contribution limit for employees aged 50 or over	\$5,500	\$5,500	\$5,500
Annual limit on compensation	\$250,000	\$245,000	\$245,000
Highly compensated employee threshold	\$115,000	\$110,000	\$110,000
Limit on annual benefits under a defined benefit plan	\$200,000	\$195,000	\$195,000
Limit on annual additions to a defined contribution plan	\$50,000	\$49,000	\$49,000
Social Security Wage Base	\$110,100	\$106,800	\$106,800
PBGC Maximum Annual Guaranteed Benefit	\$54,000	\$54,000	\$54,000
ESOP distribution limits under 409(o)(1)(C)	\$1,015,000 \$200,000	\$985,000 \$195,000	\$985,000 \$195,000

To learn more about the cost of living changes that will be applicable to your plan in 2012, please contact us at (207) 879-9200 or toll free at (877) 473-2371.

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