

# SIMPKINS & ASSOCIATES

## PLAN YEARS BEGINNING IN 2012 I.R.S. DOLLAR LIMITATIONS

<u>CONSULTING OFFICES:</u>	ITEM	IRS CODE	2012 \$ LIMITS
<p>Kathy K. Walker Simpkins &amp; Associates 6190 LBJ Freeway Building 200 Dallas, TX 75240 972.960.9630 x536 kwalker@simpkinsassoc.com</p> <p>Philip D. Simpkins Simpkins &amp; Associates 20770 US Hwy 281 N Suite 108; PMB 450 San Antonio, TX 78258 830.980.3334 x13 psimpkins@simpkinsassoc.com</p> <p><b>SIMPKINS &amp; ASSOCIATES</b> took care in the preparation of these limits and explanations. However, we assume no responsibility for its accuracy and completeness.</p>	Defined Contribution Annual Dollar Limit	415(c)(1)(A)	<b>\$50,000</b>
	Defined Benefit Annual Benefit Limit	415(b)(1)(A)	<b>200,000</b>
	SIMPLE Deferral Limit Catch-up Age 50 & Over	408(p)(2)(E) 414(v)(2)(B)(ii)	<b>11,500 2,500</b>
	401(k), 403(b) & 457 Annual Deferral Limit Catch-up Age 50 & Over	402(g)(1) 414(v)(2)(B)(i)	<b>17,000 5,500</b>
	Compensation Limit	401(a)(17)	<b>250,000</b>
	Highly Compensated Employees ("HCE") <sup>1</sup> 1. More Than 5% owner 2. Any Employee 3. Top 20% of ER's Work Force	414(q)(1)(A) 414(q)(1)(B) 414(q)(3)	<b>No Minimum More than 115,000 Same as 2.</b>
	Key Employees <sup>2</sup> 1. Any Officer 2. More Than 5% owner 3. More Than 1% owner	416(i)(1)(A)(i) 416(i)(1)(A)(ii) 416(i)(1)(A)(iv)	<b>More than 165,000 No Minimum More than 150,000 (Fixed)</b>
	OASDI Taxable Wage Base		<b>110,100</b>

<sup>1</sup>An employee is treated as a HCE if the employee is a more than 5% owner (or lineal ascendant/descendant of the greater than 5% owner) any time during the plan year or the preceding plan year, or an employee has prior year compensation in excess of the limit for that year, and if elected by the employer, is also in the top 20% of employees based on compensation. For example, an employee with compensation in excess of \$115,000 in 2011 will be an HCE for 2012. For the first year of an employer, only a 5% owner can be an HCE. Generally, a 401(k) plan must meet a special actual deferral percentage test that is designed to limit the extent to which elective contributions made on behalf of HCEs may exceed by 2% the elective contributions made on behalf of non-highly compensated employees.

<sup>2</sup>An employee is treated as a key employee if the employee, during the current plan year, is either an officer having annual compensation in excess of \$165,000, owned more than 5% (or lineal ascendant/descendant of the greater than 5% owner) or owned more than 1% and has annual compensation more than \$150,000. The total of the accounts or benefits of all key employees are used when determining if a plan is top-heavy. Top-heavy is calculated on the preceding plan year ending balance (except a new plan is the current year ending balance).