

2007/2008 Dollar Limitations for Retirement Plans

New limitations will apply to retirement plans and other benefit plans in 2008 as a result of cost-of living adjustments made by the IRS and Social Security Administration. The limits for 2008, as well as the 2007 limits are as follows:

Account Types		2007 Limit	2008 Limit
IRA	Traditional and Roth IRA Contribution Limit	\$4,000	\$5,000
	Catch-Up Limit for individuals age 50 and older	\$1,000	\$1,000
SIMPLE IRA	Elective Deferral Limit	\$10,500	\$10,500
	Catch-Up Limit for individuals age 50 and older	\$2,500	\$2,500
	Maximum Employer Match (\$1 for \$1 match on the first 3% of employee compensation deferred. Catch-up deferral is also matched if over age 50)	\$10,500	\$10,500
	Maximum Employer Non-Elective Contribution (2% of employee's compensation, up to \$230,000)	\$4,500	\$4,600
SEP IRA	Maximum SEP Contribution	\$45,000	\$46,000
	SEP Compensation Exclusion	\$500	\$500
401(k), SARSEP, 403(b) and Governmental 457(b)	Elective Deferral Limit	\$15,500	\$15,500
	Catch-Up Limit for individuals age 50 and older	\$5,000	\$5,000
Profit Sharing, 401(k) and Money Purchase Pension	Defined Contribution Limit (415(c) limit)	\$45,000	\$46,000
Profit Sharing, 401(k), SEP and Money Purchase Pension	Employee Annual Compensation Limit	\$225,000	\$230,000
401(k), SARSEP, 403(b) and Governmental 457(b)	Highly Compensated Employee Limit (No requirement for 5% owner)	\$100,000	\$105,000
Profit Sharing, 401(k) and Money Purchase Pension	Top-heavy Plan-Key Employee Compensation Limit	\$145,000	\$150,000
Defined Benefit	Maximum Annual Benefit at Retirement	\$180,000	\$185,000



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Modified Adjusted Gross Income (MAGI) Phase Out Ranges for Traditional IRA Deduction when Taxpayer is Covered by a Retirement Plan at Work

Filing Status	2007	2008
Single or Head of Household	\$52,000 - \$62,000	\$53,000 - \$63,000
Married Filed Jointly	\$83,000 - \$103,000	\$85,000 - \$105,000
Married Filing Jointly for Non-Covered Spouse with a Spouse Who is an Active Participant	\$156,000 - \$166,000	\$159,000 - \$169,000

MAGI Phase Out Ranges for Roth IRA Annual Contributions

Filing Status	2007	2008
Single or Head of Household	\$99,000 - \$114,000	\$101,000 - \$116,000
Married Filed Jointly	\$156,000 - \$166,000	\$159,000 - \$169,000

Social Security	2007	2008
Social Security Taxable Wage Base	\$97,500	\$102,000
Maximum Earnings for individuals under normal retirement age before Social Security Benefits are reduced. One dollar in benefits will be withheld for every \$2 in earnings above the limit.	\$12,960 (\$1,080/mo)	\$13,560 (\$1,130/mo)
Maximum Social Security Benefit at Social Security Normal Retirement Age	\$2,116/mo	\$2,185/mo

Health Savings Accounts (HSAs)		2007	2008
Maximum Contribution Limit	Single	\$2,850	\$2,900
	Family	\$5,650	\$5,800
	Catch-Up (age 55 by the end of the year)	\$800	\$900
Minimum Annual Deductible for High Deductible Health Plan (HDHP)	Single	\$1,100	\$1,100
	Family	\$2,200	\$2,200
HDHP Maximum Out of Pocket Expenses	Single	\$5,500	\$5,600
	Family	\$11,000	\$11,200

If you have any questions about your retirement plan or these dollar limits, please contact your Financial Consultant.

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