

RETIREMENT PLAN LIMITS FOR 2006

The annual defined contribution benefit limit increases from \$42,000 to \$44,000, and the annual compensation limit increases from \$210,000 to \$220,000 for 2006. The annual per participant limit on 401(k), 403(b) and 457 plan contributions increases from \$14,000 to \$15,000, and the maximum “catch-up” contributions for individuals age 50 and over increases from \$4,000 to \$5,000. The limitation for the definition of “highly compensated employee” increases from \$95,000 in annual compensation to \$100,000, and the annual compensation threshold for key employees increases to \$140,000 from \$135,000. The limit on the annual benefit payable under a defined benefit plan increases from \$170,000 to \$175,000.

Andrew S. Williams
Aronberg Goldgehn Davis & Garmisa
One IBM Plaza, Suite 3000
Chicago, Illinois 60611
312/755-3145
awilliams@agdglaw.com