

THE NEWSLETTER OF THE BDO EMPLOYEE BENEFIT PLAN AUDIT PRACTICE

EBP COMMENTATOR

SPECIAL EDITION

2012 COST-OF-LIVING ADJUSTMENTS FOR QUALIFIED RETIREMENT PLANS

The Internal Revenue Service announced cost-of-living adjustments applicable to dollar limitations for pension plans and other items for tax year 2012. In general, since the cost-of-living index met the statutory thresholds, many of the pension limitations will change for 2012.

Code Section	2012	2011	2010	2009	2008
401(a)(17)/404(l) Annual Compensation	\$250,000	\$245,000	\$245,000	\$245,000	\$230,000
402(g)(1) Elective Deferrals	17,000	16,500	16,500	16,500	15,500
408(k)(2)(C) SEP Minimum Compensation	550	550	550	550	500
408(k)(3)(C) SEP Maximum Compensation	250,000	245,000	245,000	245,000	230,000
408(p)(2)(E) SIMPLE Maximum Contributions	11,500	11,500	11,500	11,500	10,500
409(o)(1)(C) ESOP Limits	1,015,000 200,000	985,000 195,000	985,000 195,000	985,000 195,000	935,000 185,000
414(q)(1)(B) HCE Threshold	115,000	110,000	110,000	110,000	105,000
414(v)(2)(B)(i) Catch-up Contributions	5,500	5,500	5,500	5,500	5,000
414(v)(2)(B)(ii) Catch-up Contributions	2,500	2,500	2,500	2,500	2,500
415(b)(1)(A) DB Limits	200,000	195,000	195,000	195,000	185,000
415(c)(1)(A) DC Limits	50,000	49,000	49,000	49,000	46,000
416(i)(1)(A)(i) Key Employee	165,000	160,000	160,000	160,000	150,000
457(e)(15) Deferral Limits	17,000	16,500	16,500	16,500	15,500
1.61-21(f)(5)(i) Control Employee	100,000	95,000	95,000	95,000	90,000
1.61-21(f)(5)(iii) Control Employee	205,000	195,000	195,000	195,000	185,000
219(b)(5)(A) IRA Contribution Limit	5,000	5,000	5,000	5,000	5,000
219(b)(5)(B) IRA Catch-Up Contributions	1,000	1,000	1,000	1,000	1,000
Taxable Wage Base for Social Security	110,100	106,800	106,800	106,800	102,000

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Material discussed is meant to provide general information and should not be acted on without professional advice tailored to your firm's individual needs.

BDO EBP PRACTICE

BDO is nationally recognized in the field of employee benefit plan consulting and auditing. We audit nearly 1,000 plans nationwide, ranging from 100 participants to close to 300,000 participants. Our engagements are staffed with accountants experienced with all types of audits including defined contribution (401(k), profit sharing, ESOP, and 403(b) plans), defined benefit (pension, cash balance) and health and welfare plans. We have extensive ERISA knowledge of audit and filing requirements, including full-scope, limited-scope, Form 11-K filings and Master trusts.

In addition, BDO has a National Employee Benefit Plan Audit Group that meets regularly to develop training and guidance and discuss updates in the industry and auditing practices. Our professionals are regular presenters at local, state and national seminars. BDO's professionals continue to be extensively involved as Chair of the American Institute of Certified Public Accountants ("AICPA") National Conferences on Employee Benefit Plans. Many of our professionals serve in leadership roles in the accounting profession as senior advisors and are active members of several governing boards and CPA societies. For example, our professionals currently serve on various AICPA committees, such as the AICPA Employee Benefit Plan Audit Quality Center Executive Committee and the AICPA's Joint 403(b) Plan Audit Task Force (we are proud to have representation at the Chair level for these committees). BDO's EBP professionals have also served on the Employee Benefit Plan Expert Panel in the past.

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