

## QUALIFIED RETIREMENT PLANS

### 2006 PLAN YEAR

#### GENERAL LIMITS AND REGULATIONS:

##### 401(k) Elective Deferral Limit:

<u>Year</u>	<u>Limit</u>
2006	\$15,000
2007	Indexed for Inflation

##### “Catch Up” 401(k) deferrals for participants who turn 50 by the end of each plan:

<u>Year</u>	<u>Amount</u>
2006	\$5,000
2007	Indexed for Inflation

**These additional 401(k) deferrals can be made over and above any regulatory or plan limitation and are not subject to any discrimination testing.**

##### Individual “Annual Additions” Limitation:

For the **2006** plan year, the maximum amount of contributions that can be made on behalf of any plan participant cannot exceed the lesser of **\$44,000 or 100% of compensation**.

##### Defined Contribution Deductible Limit:

Employer contributions to a tax-qualified plan are deductible within limits. For the 2006 plan year, the maximum deductible limit is 25% of total compensation of covered employees.

##### Maximum Compensation:

For purposes of calculating employer contributions and computing contribution percentages for discrimination testing purposes, the **maximum compensation for 2006 is \$220,000** (up from \$210,000 in 2005).

##### Tax Credits for Plan-related Expenses:

Small employers, defined as entities having 100 or fewer employees in the prior year may take a credit of up to 50% of “start up” costs for the initial three years of a plan’s existence relating to the implementation or administration of the plan.