

Maximum Benefits and Contributions Limits for 1996-2004

Type of Limitation	2004 ^{1/}	2003	2002	2001	2000	1999	1998	1997	1996
Elective Deferrals (401(k), 403(b), etc.)	\$13,000	\$12,000	\$11,000	\$10,500	\$10,500	\$10,000	\$10,000	\$ 9,500	\$ 9,500
Defined Benefit Plans	\$165,000	\$160,000	\$160,000	\$140,000	\$135,000	\$130,000	\$130,000	\$125,000	\$120,000
Defined Contribution Plans	\$41,000	\$40,000	\$40,000	\$35,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000
Annual Compensation Limit	\$205,000	\$200,000	\$200,000	\$170,000	\$170,000	\$160,000	\$160,000	\$160,000	\$150,000
Annual Compensation Limit for Grandfathered Participants in Governmental Plans Which Followed 401(a)(17) Limits (With Indexing) on July 1, 1993	\$305,000	\$300,000	\$295,000	\$285,000	\$275,000	\$270,000	\$265,000	N/A	N/A
457(b)(2) and 457(c)(1) Limits	\$13,000	\$12,000	\$11,000	\$8,500	\$8,000	\$8,000	\$8,000	\$7,500	\$7,500
Highly Compensated (\$80,000 index)	\$90,000	\$90,000	\$90,000	\$85,000	\$85,000	\$80,000	\$80,000	\$80,000	Various
SIMPLE Retirement Accounts	\$9,000	\$8,000	\$7,000	\$6,500	\$6,000	\$6,000	\$6,000	\$6,000	N/A
SEP Coverage	\$450	\$450	\$450	\$450	\$450	\$400	\$400	\$400	\$400
SEP Compensation	\$205,000	\$200,000	\$200,000	\$170,000	\$170,000	\$160,000	\$160,000	\$160,000	\$150,000
Tax Credit ESOP Maximum Balance	\$830,000	\$810,000	\$800,000	\$780,000	\$755,000	\$735,000	\$725,000	\$710,000	\$690,000
Amount for Lengthening of 5-Year ESOP Period	\$165,000	\$160,000	\$160,000	\$155,000	\$150,000	\$145,000	\$145,000	\$140,000	\$135,000
Excess Distribution Threshold	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$160,000	\$155,000
Qualified Police and Firefighters' DB Benefit Limit	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$70,000	\$66,000
Income Subject to Social Security Tax	\$87,900	\$87,000	\$84,900	\$80,400	\$76,200	\$72,600	\$68,400	\$65,400	\$62,700

FICA Tax for employees and employers	7.65 %	7.65 %	7.65 %	7.65 %	7.65 %	7.65 %	7.65 %	7.65 %	7.65 %
Social Security Tax for employees and employers	6.2 %	6.2 %	6.2 %	6.2 %	6.2 %	6.2 %	6.2 %	6.2 %	6.2 %
Medicare Tax for employees and employers	1.45%	1.45%	1.45%	1.45%	1.45%	1.45%	1.45%	1.45%	1.45%
FICA Tax for self-employed workers	15.3 %	15.3 %	15.3 %	15.3 %	15.3 %	15.3 %	15.3 %	15.3 %	15.3 %
Social Security Tax for self-employed workers	12.4 %	12.4 %	12.4 %	12.4 %	12.4 %	12.4 %	12.4 %	12.4 %	12.4 %
Medicare Tax for self-employed workers	2.9 %	2.9 %	2.9 %	2.9 %	2.9 %	2.9 %	2.9 %	2.9 %	2.9 %

^{1/} Reflects issuance of [IRS News Release IR-2003-122 \(October 16, 2003\)](#) and the corresponding [Social Security Administration News Release](#) (October 16, 2003).

This chart is courtesy of:

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