VOLUME 23, ISSUE 5

20 PL

IM RI 40 SF

The PRS Report

2015 Pension Plan Limits

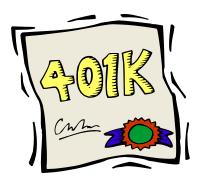
Listed below are certain limits which include the Internal Revenue Service and Social Security Administration 2015 cost-of-living increases. For your convenience and reference, the 2014 limits are shown for comparison purposes.

| | Item | 2015 | 2014 |
|--|--|-----------|-----------|
| NSIDE THIS SSUE: | 1. Maximum contribution to a 401(k) Plan | \$ 18,000 | \$ 17,500 |
| | Additional 401(k) Plan Catch-Up Contribution (for participants age 50 and over) | 6,000 | 5,500 |
| 015 PENSION LAN LIMITS | 3. Maximum Profit Sharing Plan contribution for a participant* | 53,000 | 52,000 |
| MPORTANT EMINDER FOR 01(K) PLAN PONSORS | 4. Maximum 401(k) and Profit Sharing Plan contributions for a participant age 50 or older* | 59,000 | 57,500 |
| | Maximum Defined Benefit Pension Plan Benefit (Dollar Limit payable at ages 62 to 65) | 210,000 | 210,000 |
| | 6. Maximum compensation that can be used for Plan purposes | 265,000 | 260,000 |
| | 7. Highly Compensated Employee Compensation Threshold | 120,000 | 115,000 |
| | 8. Social Security Taxable Wage Base | 118,500 | 117,000 |
| | | | |

* Please note that the defined benefit contribution may be higher than the maximum profit sharing and 401(k) amounts shown above. Please contact us if you want to contribute more than these amounts.

2015 Pension Plan Limits (continued)

As part of the services we provide, we will automatically incorporate any applicable increases when we prepare your 2015 valuation. These changes may increase the contributions to your Company's Plans. In addition, they may also help Employers increase the contribution for the principals relative to the other plan participants. Do not hesitate to contact us if you would like to change (either increase or decrease) your Plan's contributions. The earlier we know, the more alternatives that may be available. Do not hesitate to contact us if you have any questions. Let us know what you want.



Important Reminder for 401(k) Plan Sponsors

401(k) Plan Sponsors must give participants the opportunity to change their elections at least once a year. Therefore, it is a good idea to distribute election forms every December (for calendar-year plans) to all eligible employees whether they currently make 401(k) contributions to the Plan or not. Particularly for those employees currently not contributing to the Plan, it is important to get back a signed and completed election form showing the non-election choice. Plan Sponsors should keep these election forms on file. In case of a plan audit, not having election forms for a plan with either minimal participation or only owner participation will raise all sorts of red flags.

If a participant elects to make 401(k) contributions, you should coordinate the participant's election with your payroll provider and establish an account with the Trust for the participant's 401(k) contribution deducted from payroll. By non-highly compensated participants contributing more in 401(k), non-discrimination test results will improve, thereby possibly enabling the company to save money in employer contributions.



Pension Review Services 445 Broad Hollow Road Suite 8 Melville, NY 11747 Phone: (631) 465-0850 Fax: (631) 465-0855

www.pensionreviewservices.com email: info@pensionreviewservices.com