



National Tax Advisory[®]

TO: All Professional Tax Personnel
FROM: Robin Tuttle Christian, CPA

NTA-589
DATE: November 7, 2006

RE: Updated Employee Benefit Plan and IRA Quick Reference Table (2005–2007)

	2007	2006	2005
Compensation Limit [IRC Sec. 401(a)(17)]	\$ 225,000	\$ 220,000	\$ 210,000
Defined Benefit Plan Annual Benefit Limit	\$ 180,000	\$ 175,000	\$ 170,000
Defined Contribution Plan Annual Contribution Limit	\$ 45,000	\$ 44,000	\$ 42,000
401(k), 403(b), and SARSEPs			
Annual Deferral Limit ^a	\$ 15,500	\$ 15,000	\$ 14,000
Catch-up Contribution ^b	\$ 5,000	\$ 5,000	\$ 4,000
457 Plan			
Annual Deferral Limit	\$ 15,500	\$ 15,000	\$ 14,000
Catch-up Contribution ^b	\$ 5,000	\$ 5,000	\$ 4,000
SIMPLE Plan			
Annual Deferral Limit	\$ 10,500	\$ 10,000	\$ 10,000
Catch-up Contribution ^b	\$ 2,500	\$ 2,500	\$ 2,000
IRA			
Annual Contribution Limit	\$ 4,000	\$ 4,000	\$ 4,000
Catch-up Contribution ^b	\$ 1,000	\$ 1,000	\$ 500
Highly Compensated Employee Compensation Threshold	\$ 100,000	\$ 100,000	\$ 95,000
Key Employee Officer Compensation Threshold	\$ 145,000	\$ 140,000	\$ 135,000
SEP Compensation Threshold	\$ 500	\$ 450	\$ 450
Traditional IRA Deduction Phaseout AGI			
Owner Active Participant			
Joint Return	\$83,000/103,000 ^e	\$75,000/85,000	\$70,000/80,000
Single, Head of Household (HOH)	\$52,000/62,000 ^e	\$50,000/60,000	\$50,000/60,000
Married Filing Separately (MFS)	\$0/10,000	\$0/10,000	\$0/10,000
Spouse Only Active Participant	\$156,000/166,000 ^e	\$150,000/160,000	\$150,000/160,000
Excludible Long-term Care Per Diem	\$ 260 ^e	\$ 250	\$ 240
Eligible Long-term Care Premiums			
Age 40 and under	\$ 290 ^e	\$ 280	\$ 270
Age 41–50	\$ 550 ^e	\$ 530	\$ 510
Age 51–60	\$ 1,110 ^e	\$ 1,060	\$ 1,020
Age 61–70	\$ 2,950 ^e	\$ 2,830	\$ 2,720
Over age 70	\$ 3,680 ^e	\$ 3,530	\$ 3,400

	2007	2006	2005
Medical Savings Accounts (MSAs)			
Self-coverage Only			
Deductible Not Less Than	\$ 1,900 ^e	\$ 1,800	\$ 1,750
and Not More Than	\$ 2,850 ^e	\$ 2,700	\$ 2,650
Out-of-pocket Expenses Do Not Exceed	\$ 3,750 ^e	\$ 3,650	\$ 3,500
Family Coverage			
Deductible Not Less Than	\$ 3,750 ^e	\$ 3,650	\$ 3,500
and Not More Than	\$ 5,650 ^e	\$ 5,450	\$ 5,250
Out-of-pocket Expenses Do Not Exceed	\$ 6,900 ^e	\$ 6,650	\$ 6,450
Health Savings Accounts (HSAs)			
Minimum Deductible			
Self-coverage	\$ 1,100 ^e	\$ 1,050	\$ 1,000
Family Coverage	\$ 2,200 ^e	\$ 2,100	\$ 2,000
Maximum Deductible			
Self-coverage	\$ 2,850 ^e	\$ 2,700	\$ 2,650
Family Coverage	\$ 5,650 ^e	\$ 5,450	\$ 5,250
Catch-up Contribution ^c	\$ 800	\$ 700	\$ 600
Out-of-pocket Limit			
Self-coverage	\$ 5,500 ^e	\$ 5,250	\$ 5,100
Family Coverage	\$ 11,000 ^e	\$ 10,500	\$ 10,200
Qualified Transportation Exclusions			
Parking/per month	\$ 215 ^e	\$ 205	\$ 200
Transit Passes/per month	\$ 110 ^e	\$ 105	\$ 105
Social Security Tax Wage Base	\$ 97,500	\$ 94,200	\$ 90,000
Roth IRA Contribution Eligibility AGI			
Joint Return	\$156,000/166,000 ^e	\$150,000/160,000	\$150,000/160,000
Single, HOH	\$99,000/114,000 ^e	\$95,000/110,000	\$95,000/110,000
MFS	\$0/10,000	\$0/10,000	\$0/10,000
Eligibility for Rollover to Roth IRA AGI			
Joint Return, Single, HOH	\$ 100,000	\$ 100,000	\$ 100,000
MFS	Not allowed	Not allowed	Not allowed
Control Employee Compensation Limit	\$90,000 and \$180,000	\$85,000 and \$175,000	\$85,000 and \$170,000

^a This applies to the total of all elective deferrals an individual makes for the year to 401(k) plans, 403(b) plans, SARSEPs, and SIMPLE plans. However, deferrals to each SIMPLE plan in which the individual participates are also limited, as shown later in the table.

^b Catch-up contributions are available each year to individuals who reach age 50 by the end of the year.

^c For HSAs, catch-up contributions are available each year to individuals 55 or older.

^d This table has been updated for 2007 amounts known or estimated as of 11/7/06. To make it easier to find quickly, from now on we will keep the Updated Employee Benefit Plan and IRA Quick Reference Tax Data Sheet as the second NTA of each year. As new amounts are available during the year, we will update and issue replacement pages for that table, in lieu of issuing new tables throughout the year.

^e These are estimates. The official amounts have not yet been released.