



Required Minimum Distributions to be Suspended for 2009

The Worker, Retiree, and Employer Recovery Act of 2008 will suspend required distributions for IRAs and defined contribution plans for the calendar year of 2009. This suspension applies to:

- Lifetime distributions to employees and IRA owners and to post-death distributions to beneficiaries.
- Individuals who attain age 70 1/2 in 2009 and who elect to take their first distribution by April 1, 2010.

It does not apply to individuals who reach age 70 1/2 in 2008 and wish to defer their first distribution to April 1, 2009.

Retirement Contribution Changes as of January 1, 2009

The 2009 contribution limits for Traditional and Roth IRAs remain the same at \$5,000 and \$6,000 the under age 50 and 50 and above cohorts, respectively. Employer-sponsored limits, however, are increased:

- For 401(k), 403(b) and 457 plans, the new limits are \$16,500 and \$22,000 for the under and over age 50 group.
- For SIMPLE plans, it is \$11,000 and \$14,000.
- The maximum SEP contribution is still 25%, but the dollar limit is increased to \$49,000.

Bottom line: the opportunity to salt away meaningful for retirement is even better than in previous years!

This information is general in nature and should not be construed as tax or financial advice. Consult your tax advisor or financial planner for more complete information.