



2011 Inflation Adjustments

Background. IRS has announced the following inflation adjustments to figures used in computing income, gift, estate and generation skipping transfers taxes and Qualified Funding.

Qualified Plan Related Adjustments

Defined Benefit Plans

Defined Benefit Plan Maximum Annual Benefit	\$195,000
Compensation Considered – Qualified Plans	\$245,000
Comp limitation for keys in top heavy plans	\$160,000

Defined Contribution Plans

Defined Contribution Plan Max Ann \$ Contribution	\$ 49,000
Defined Contribution Plan Max Ann % deduction	25%
Highly Compensated Employee Definition	\$110,000
Compensation Considered – Qualified Plans	\$245,000
Comp limitation for keys in top heavy plans	\$160,000
Max Elective Deferrals – 401(k) is	\$16,500
Max Catch-Up Contributions (age 50+ at end of yr)	\$ 5,500
Establish Plan by end of year.	

SIMPLE IRA PLANS

Max Elective Deferrals – SIMPLE Plans	\$11,500
Max Catch-ups to SIMPLEs (age 50+ at end of yr)	\$2,500
Establish by October 1 of establishment year.	

SEPs

SEP % Contribution Limits (emp'ee)	25% of Compensation
SEP % Contribution Limits (Owner)	20% of Compensation
SEP Max Compensation Considered	\$245,000
SEP \$ Contribution Limits	\$49,000
Establish by 1040 Return due date plus extensions.	
SARSEPs establish before 1997	
Max Elective Deferrals	\$ 16,500
Max Catch-up contributions (age 50+ at end of yr)	\$5,500

Indexed Compensation Levels

Highly Compensated	\$110,000
Top Paid Group of 20%	\$110,000
Key Employee, Officer	\$160,000

Mileage Rates

Standard Mileage Deduction Rates Per Mile

Business mileage in lieu of actual expenses & depreciation	\$0.51
Charitable mileage subject to itemized ded'n phaseout	\$0.14
Medical subject to 7.5% threshold, and moving to 2%	\$0.19

Expensing and Depreciation

Expensing

IRC & 179 Expensing Limits	\$500,000
Reduction for expenditures over \$510,000	\$-for-\$

CORPORATE INCOME TAX RATES

C Corporation Income Up to \$50,000	15%
C Corporation Income Over \$50,000 up to \$75,000	25%
C Corporation Income Over \$75,000 up to \$100,000	34%
C Corporation Income Over \$100,000 up to \$335,000	39%
C Corporation Income Over \$335,000 up to \$10 MM	34%
C Corporation Income Over \$10 MM up to \$15 MM	35%
C Corporation Income Over \$15 MM up to \$18.333 MM	38%
C Corporation Income Over \$18.333 MM	35%

Personal Service Corps

(law, medicine, engineering accounting, architecture, actuarial science, performing arts or consulting)	35%
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Health Saving Accounts

	Single	Family
Contribution Limits	\$3,050	\$6,150
Catch-up Age 55-65	\$1,000	\$1,000
Annual Deductible	\$1,200	\$2,400

Not intended as Legal or Tax Advice - Individuals should consult their own Advisors.