

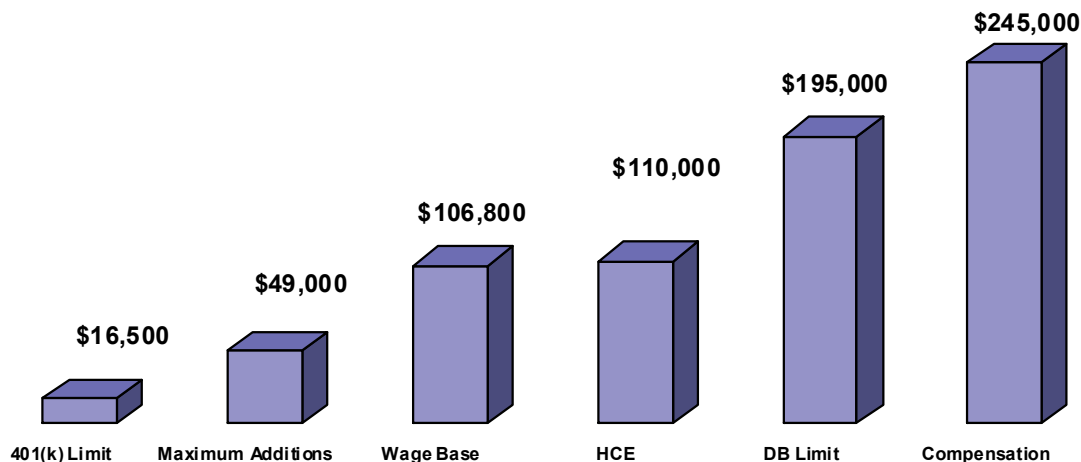


INTERNAL REVENUE SERVICE ANNOUNCES 2010 COST-OF-LIVING ADJUSTMENTS

October, 2009

The Internal Revenue Service has recently announced Cost-of-Living Adjustments for 2010 for certain items with respect to qualified Pension and Profit Sharing Plans. Highlights of interest:

	<u>2010 Limits</u>
◆ 401(k) Plan Maximum Deferral	\$16,500
◆ 401(k) Catch-up Contribution (age 50+)	\$5,500
◆ Maximum Annual Addition to a participant's account under a Defined Contribution Plan ¹ remains at:	\$49,000
◆ Social Security Wage Base remains at:	\$106,800
◆ Compensation threshold to determine Highly Compensated Employee remains at:	\$110,000 ^{2,3}
◆ Maximum Dollar Limitation (Defined Benefit Plan) ⁴ remains at:	\$195,000
◆ Compensation Limit (to determine benefits/contributions) remains at:	\$245,000



ADDITIONAL INFORMATION

For specific questions concerning information contained in this Insights, please contact your Chernoff Diamond consultant.

Chernoff Diamond provides comprehensive consulting and administrative services with respect to all forms of employee benefits, risk management and qualified and non-qualified retirement plans. For additional information about our services please contact us at (516) 683-6100 or via e-mail at mail@chernoffdiamond.com.

¹ Cannot exceed 100% of Compensation. Deductibility limit remains 25% of eligible compensation.

² Employee is Highly Compensated for 2010 if earning \$110,000 or more in 2009 or a more than 5% owner in 2009 or 2010.

³ Employee is Highly Compensated for 2011 if earning \$110,000 or more in 2010 or a more than 5% owner in 2010 or 2011.

⁴ The dollar limitation is unreduced for retirement ages 62 to 65.