

SpectraGram

December 2006

SpectraGrams will have a new delivery method starting in January, 2007. We will be emailing all future SpectraGrams starting next month. Next month's SpectraGram will summarize the Pension Protection Act of 2006.

We will also be emailing this December 2006 SpectraGram by the end of this month. If you don't get this email, please email us with your email address and any other email addresses that you would like us to add to our distribution list. All email additions and updates should be sent to the attention of Linda; her email address is lindas@spectraassociates.com.

Each year the IRS may update or change certain limits pertaining to retirement plans. Below is a summary of some of the limits for 2006 and 2007.

	2006	2007
Taxable Wage Base	\$ 94,200	\$ 97,500
*401(k) Deferral (age under 50 by 12/31)	\$ 15,000	\$ 15,500
*401(k) Deferral (age 50 or over by 12/31)	\$ 20,000	\$ 20,500
*Simple Deferral (age under 50 by 12/31)	\$ 10,000	\$ 10,500
*Simple Deferral (age 50 or over by 12/31)	\$ 12,500	\$ 13,000
*Annual Addition (Defined Contribution)	\$ 44,000	\$ 45,000
Annual Benefit (Defined Benefit)	\$175,000	\$180,000
Annual Compensation	\$220,000	\$225,000
Highly Compensated Employee	\$100,000	\$100,000

The limit for those items with * above is actually the lesser of 100% of compensation or the dollar limit listed