

Retirement plan limits for 2011 and 2012

The chart below summarizes the legislative and regulatory adjustments to retirement plan limitations.

Individual Plan Limitations	2011	2012
IRA Contribution Limit: Maximum annual contribution an individual may make to a traditional or Roth IRA.	\$5,000	\$5,000
IRA Catch-up Contribution Limit: Maximum annual catch-up contribution an individual age 50 and older may make to a traditional or Roth IRA.	\$1,000	\$1,000
Traditional IRA Deductibility Phase-Out Range: Modified adjusted gross income (MAGI) amount an individual/couple may have in order to make a deductible contribution to a traditional IRA if the individual is covered by an employer-sponsored plan.	<i>Single filers:</i> \$56,000 – \$66,000 <i>Married filing jointly:</i> \$90,000 – \$110,000 <i>Married filing separately:</i> \$0 – \$10,000 <i>Spouse not participating in employer plan:</i> \$169,000 – \$179,000	<i>Single filers:</i> \$58,000 – \$68,000 <i>Married filing jointly:</i> \$92,000 – \$112,000 <i>Married filing separately:</i> \$0 – \$10,000 <i>Spouse not participating in employer plan:</i> \$173,000 – \$183,000
Roth IRA Phase-Out Range: MAGI amount an individual/couple may have in order to make a Roth IRA contribution.	<i>Single filers:</i> \$107,000 – \$122,000 <i>Married filing jointly:</i> \$169,000 – \$179,000 <i>Married filing separately:</i> \$0 – \$10,000	<i>Single filers:</i> \$110,000 – \$125,000 <i>Married filing jointly:</i> \$173,000 – \$183,000 <i>Married filing separately:</i> \$0 – \$10,000
Coverdell Education Savings Account (CESA) Contribution Limit: Maximum annual contribution an individual may make to a CESA.	\$2,000	\$2,000
Coverdell Education Savings Account (CESA) AGI Limit: AGI amount an individual/couple may have in order to make a CESA contribution.	<i>Single filers:</i> \$95,000 – \$110,000 <i>Married filing jointly:</i> \$190,000 – \$220,000	<i>Single filers:</i> \$95,000 – \$110,000 <i>Married filing jointly:</i> \$190,000 – \$220,000
Employer Plan Limitations	2011	2012
Defined Benefit Plan Limit: Maximum annual benefit for an employee at Social Security retirement age, which is used in calculating the defined benefit plan's annual contributions.	\$195,000	\$200,000
Defined Contribution Plan Limit: Maximum annual contribution allowed for a plan participant.	\$49,000	\$50,000

Employer Plan Limitations	2011	2012
401(k) Elective Deferral Limit: Maximum dollar limit for an employee's salary deferral. This limit also applies to 403(b)s, 457(b)s and SAR-SEPs.*	\$16,500	\$17,000
401(k) Catch-Up Contribution Limit: Maximum elective deferral catch-up contribution that participants age 50 and older may be allowed to make. This limit also applies to 403(b)s, 457(b)s and SAR-SEPs.*	\$5,500	\$5,500
SIMPLE Retirement Account Elective Deferral Limit: Maximum dollar limit for an employee's salary deferral.	\$11,500	\$11,500
SIMPLE Retirement Account Catch-Up Contribution Limit: Maximum elective deferral catch-up contribution that participants age 50 and older may be allowed to make.	\$2,500	\$2,500
Annual Compensation Limit: Maximum annual compensation that may be considered in determining an employee's retirement plan contribution.	\$245,000	\$250,000
SEP Coverage Minimum Compensation Limit: SEP and SAR-SEP annual compensation limit to exclude employees.	\$550	\$550
Highly Compensated Employee (HCE) Compensation Limit: Compensation used to determine HCE status under the plan.	\$110,000	\$115,000
Social Security Wage Base: Maximum amount of earnings subject to Social Security (OASDI) tax.	\$106,800	\$110,100

*Certain aggregation rules apply to all salary deferral plans, and special catch-up provisions are available in 403(b)s and 457(b)s.

Note: MAGI for IRA deductibility equals adjusted gross income (AGI) plus certain additions that are added back as further adjustments. See IRS publication 590 for a list of these adjustments.

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