



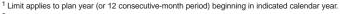
EMPLOYEEBENEFITS ALERT

JANUARY 2006

ANNUAL LIMITS FOR BENEFIT PLANS FOR 2006

Each year, the U.S. government adjusts the limits for retirement plans, Social Secur Medicare, and other benefit programs to reflect price and wage inflation, and changes the law. As a result, employers must annually adapt their benefit plans to accommode the new limits. The limits for 2006 as well as last year's limits are set forth below.

APRICABLE LIMIT	2006	2005
Annual Compensation: Basic limit Certain governmental plans	\$220,000 \$325,000	\$210,000 \$315,000
Limits on Benefits and Contributions: Defined benefit plan dollar limit ² Defined contribution annual addition limit ³ 401(k) and 403(b) elective deferral limit 457(b) deferral limit	\$175,000 \$ 44,000 \$ 15,000 \$ 15,000	\$170,000 \$ 42,000 \$ 14,000 \$ 14,000
Age 50 Catch-up Contributions: 401(k), 403(b), or governmental 457(b) plans	\$ 5,000	\$ 4,000
"Highly Compensated" Definition 4	\$100,000	\$ 95,000
"Officer" for "Key Employee" Definition	\$140,000	\$135,000
Social Security Taxable Wage Base	\$ 94,200	\$ 90,000
Medicare Taxable Wage Base	Unlimited	Unlimited
FICA Tax For Employers and Employees	7.65%	7.65%
OASDI Tax Rate	6.20%	6.20%
Medicare Tax Rate	1.45%	1.45%



 $^{^{2}\,\}mathrm{Limit}$ applies to limitation year ending in indicated calendar year.

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³ Limit applies to limitation year beginning in indicated calendar year

⁴ Limit applies to compensation during the plan year beginning in indicated calendar year to determine highly compensated for following plan year.