

RETIREMENT OPTIONS

The changes under the Economic Growth and Tax Relief Reconciliation Act of 2001 affect some retirement plans. The salary-reduction limits are as follows:

YEAR	401K/403B/SAR-SEP	SIMPLE	457
2001	\$10,500	\$6,500	\$8,500
2002	\$11,000	\$7,000	\$11,000
2003	\$12,000	\$8,000	\$12,000
2004	\$13,000	\$9,000	\$13,000
2005	\$14,000	\$10,000	\$14,000
2006	\$15,000	\$10,000	\$15,000
2007 and Following Fully Phased In	Adjusted for Inflation	Adjusted for Inflation	Adjusted for Inflation

There are also new salary-reduction catch-up contributions that can be made for those individuals who reach 50 years of age during the plan year.

YEAR	401K/403B/457/SAR-SEP	SIMPLE IRA
2002	\$1,000	\$500
2003	\$2,000	\$1,000
2004	\$3,000	\$1,500
2005	\$4,000	\$2,000
2006	\$5,000	\$2,500
2007 and Following	Adjusted for Inflation	Adjusted for Inflation

Also, the Economic Growth and Tax Relief Reconciliation Act of 2001 provides a new IRA annual contribution and catch-up limit for those 50 years old and older.

YEAR	MAXIMUM IRA CONTRIBUTION	ADDITIONAL CATCH-UP
2002-2004	\$3,000	\$500
2005-2007	\$4,000	\$500 (\$1,000 in 2006-2007)
2008	\$5,000	\$1,000
AFTER 2008	ADJUSTED FOR INFLATION IN \$500 INCREMENTS	\$1,000