

2008 and 2009 Contribution Limits for 401(k)

WASHINGTON, D.C., Oct. 22 (SEND2PRESS NEWSWIRE) – The newly released IRS 2009 contribution limits for qualified retirement plans means that individuals and their employers can contribute more than ever before to a 401(k) plan, announced Lamaute Capital (member FINRA, SIPC). In addition to the opportunity to shelter from taxes a big portion of income, many 401(k) plans have a loan feature that can give its owners access to cash in times of need.



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A 401(k) provides a great tax break to employees who contribute to the plan, and no business is too small to have a 401(k). Even a small business with no employees or employing a spouse only can establish a One Person 401(k) plan, according to Lamaute Capital.

This includes independent contractors with 1099 income, freelancers, sole proprietors, partnerships, Limited Liability Companies (LLC) or corporations.

Key benefits of a 401(k) plan:

- * High maximum contribution limit.
- * Contributions are tax deductible and are based on compensation or earned income. Roth contributions are from after-tax income.
- * Funds in a 401(k) grow tax-deferred.
- * Assets can be rolled over from other qualified plans or IRA's into a 401(k).
- * One can take a loan from a 401K (if allowed by the plan) – up to the lesser of 50% or \$50,000 of account balance.

401(k) Contribution Limits for 2008 and 2009

Tax Year	2008	2009
Salary Elective Deferral Limit		
\$15,500	\$16,500	
Maximum Employer + Employee Defined Contribution Plan Limit		
\$46,000	\$49,000	
Catch-Up Contribution Limit For Age 50+		
\$5,000	\$5,500	

(Source: www.irs.gov/retirement/article/0,,id=96461,00.html)

A One Person 401K also known as Solo 401K must be set up no later than December 31, to be eligible for tax deductions for that tax year. One can go to Lamaute Capital's website www.InvestSafe.com to request a free Solo 401K application kit.

Lamaute Capital is a member of FINRA, SIPC.

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