

# ADVISORY

## Summary of Key 2006 Indexed Limits

The table below summarizes the most widely used limits relating to qualified plans and welfare benefit arrangements and includes both the 2005 and 2006 amounts. Some of these limits are simply indexed for inflation while others were raised by legislation.

	2005	2006
Compensation limit	\$210,000	\$220,000
Section 415(b) limit	\$170,000	\$175,000
Section 415(c) limit	\$42,000	\$44,000
Section 402(g)/401(k) limit	\$14,000	\$15,000
Catch-up contributions	\$4,000	\$5,000
HCE threshold	\$95,000	\$100,000
Taxable wage base	\$90,000	\$94,200

### MEDICARE PART D NOTICE

Employers sponsoring group health plans that include prescription drug coverage should be aware of an obligation to issue a Notice of Creditable Coverage relating to that coverage before November 15, 2005. (The Notice must also be provided annually prior to November 15 and at other times, such as upon enrollment.) The Notice provides information for Medicare eligible individuals and is designed to help them understand their employer-based prescription drug coverage as they evaluate their options under the new Medicare Part D prescription drug program. A sample Notice is available on the [Centers for Medicare & Medicaid Services](#). For the most part, we would expect that insurers and third-party administrators will be providing the Notice on behalf of group health plans.

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If you have any questions, please contact a member of the Employment & Benefits Practice Group.

### IF YOU WOULD LIKE ADDITIONAL INFORMATION, PLEASE CONTACT:

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