



## Wisconsin Retirement Plan Limit Legislation Introduced

Congress recently modified income and contribution limits for most retirement plans including IRAs, Roth IRAs, 401(k) plans and others. The Governor's Budget in 2009 proposed modifying the Wisconsin tax code to track with the Federal changes. Unfortunately, the Legislature removed those provisions from the bill before the Budget bill was passed.

Last Tuesday, the State Senate unanimously passed *Senate Bill 439* (SB 439), which will incorporate the new Federal retirement plan limits into the Wisconsin tax code. Similar legislation is pending in the State Assembly, and it is very likely that a bill will pass both houses before the Session is over.

*If the Legislature fails to act on these bills, Wisconsin law will revert back to pre-2001 income and contribution levels for retirement plans on January 1, 2011.* Under this scenario, the maximum contribution that an individual could make to a traditional or Roth IRA would go to \$5,000 in the rest of the nation, but be limited to \$2,000 in Wisconsin. Similarly, the maximum contribution that could be made to a 401(k), 403b and 457 plans would increase to \$16,000 in the rest of the nation, but be limited to \$10,000 in Wisconsin. Penalties would be imposed under Wisconsin law if you exceeded these limits. The Federal changes also allow taxpayers with incomes over \$100,000 to convert traditional IRAs to Roth IRAs, which would not be allowed in Wisconsin unless state law is changed.

*If you have questions or concerns about these new developments and how they might affect your business, please do not hesitate to contact Attorney Sally Piefer at (262) 754-1325, or [sap@tsqglaw.com](mailto:sap@tsqglaw.com).*

*This edition of the **Employment Law Newsletter** has been authored by Attorney Sally Piefer. We welcome any questions regarding the topics covered or on any employment-related issue. Sally can be reached by telephone at (262) 754-1325, or by e-mail at [sap@tsqglaw.com](mailto:sap@tsqglaw.com).*

The Schroeder Group, S.C., Attorneys at Law provides comprehensive services covering all aspects of employment, employee benefits and labor relations law to closely-held businesses and companies. *This document is a publication of The Schroeder Group, S.C., Attorneys at Law and is intended to provide information on recent employment law developments. This document should not be construed as legal advice or an opinion on specific situations. You should consult with legal counsel before taking action to ensure its applicability to your particular situation.*

**The Schroeder Group, S.C.  
Attorneys at Law**  
Crossroads Corporate Center  
20800 Swenson Drive  
Suite 475  
Waukesha, WI 53186  
**Main Phone**  
(262) 798-8220  
(800) 372-3020  
**Facsimile**  
(262) 798-8232  
[www.tsqglaw.com](http://www.tsqglaw.com)

**Sally A. Piefer**  
[sap@tsqglaw.com](mailto:sap@tsqglaw.com)  
Direct Dial: (262) 754-1325

**Cindy L. Fryda**  
[cif@tsqglaw.com](mailto:cif@tsqglaw.com)  
Direct Dial: (262) 754-1332