



## Tax Reduction Letter

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### Internal Revenue Code Section 404(n)

Deduction for contributions of an employer to an employees' trust or annuity plan and compensation under a deferred-payment plan.

...

- (n) Elective deferrals not taken into account for purposes of deduction limits. Elective deferrals (as defined in section 402(g)(3)) shall not be subject to any limitation contained in paragraph (3), (7), or (9) of subsection (a) or paragraph (1)(C) of subsection (h) and such elective deferrals shall not be taken into account in applying any such limitation to any other contributions.