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## Summary of 2000 IRC, PBGC, Federal Income Tax, Social Security, and Medicare Amounts

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**I**RS annually adjusts qualified plan limits for increases in the cost of living. The 2000 limits reflect a 2.35% increase in third quarter CPI-U from 1998 to 1999, and they are rounded down to multiples of \$50, \$500, \$5,000, or \$10,000. The table below shows the 2000 limits before rounding and a five-year summary of rounded IRC qualified plan limits.

IRC Limit	Unrounded 2000	Rounded IRC Limits				
		2000	1999	1998	1997	1996
401(k) plan elective deferral limit	\$10,600	\$10,500	\$10,000	\$10,000	\$9,500	\$9,500
403(b) plan elective deferral limit	10,600	10,500	10,000	10,000	9,500	9,500
Eligible 457 plan deferral limit	8,422	8,000	8,000	8,000	7,500	7,500
SIMPLE plan elective deferral limit	6,376	6,000	6,000	6,000	6,000	N/A
415 defined benefit maximum annuity	136,287	135,000	130,000	130,000	125,000	120,000
415 special limit for police & firefighters <sup>1</sup>	136,287	135,000	130,000	130,000	125,000	66,000
415 defined contribution maximum annual addition	34,419	30,000	30,000	30,000	30,000	30,000
401(a)(17) and 408(k)(3)(C) compensation limit	172,095	170,000	160,000	160,000	160,000	150,000
414(q)(1)(B) highly compensated employee	85,016	85,000	80,000	80,000	80,000	100,000
414(q)(1)(C) top paid group	85,016	85,000	80,000	80,000	80,000	66,000
408(k)(2)(C) SEP minimum compensation	454	450	400	400	400	400
409(o)(1)(c) tax-credit ESOP distribution period						
5-year maximum balance	757,150	755,000	735,000	725,000	710,000	690,000
1-year extension	151,430	150,000	145,000	145,000	140,000	135,000

<sup>1</sup> The Taxpayer Relief Act of 1997 amended section 415(b)(2)(G) to provide that the maximum annuity payable to qualified police and firefighters is not reduced for commencement before Social Security normal retirement age for plan years beginning after December 31, 1996.

### Other Benefit-Related IRC Limits

Qualified transportation fringe benefit limits are adjusted annually after 1999 and medical savings account (MSA) limits are adjusted annually after 1998. The 2000 limits reflect the 1.8% increase in the 12-month-average CPI-U for the period September 1997 through August

1998, to the average for September 1998 through August 1999. The qualified transportation fringe benefit limits are rounded down to a multiple of \$5, while the MSA limits are rounded to the nearest multiple of \$50. Qualified long-term care (LTC) premium limits are adjusted annually after 1997. The 2000 limits

reflect the 3.4% increase in the medical care component of the CPI from August 1998 to August 1999, and are rounded to the nearest multiple of \$10. The table below shows these rounded IRC limits for 1997 through 2000.

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<b>IRC Limit</b>	<b>2000</b>	<b>1999</b>	<b>1998</b>	<b>1997</b>
132(f) tax-free qualified transportation fringe benefit				
Parking	\$175	\$175 <sup>1</sup>	\$175	\$170
Transit passes or commuter highway vehicle transportation	65	65 <sup>1</sup>	65	65
220(c)(2) MSA high deductible health plan – self-only coverage				
Minimum annual deductible	1,550	1,550	1,500	1,500
Maximum annual deductible	2,350	2,300	2,250	2,250
Maximum out-of-pocket limit	3,100	3,050	3,000	3,000
220(c)(2) MSA high deductible health plan – family coverage				
Minimum annual deductible	3,100	3,050	3,000	3,000
Maximum annual deductible	4,650	4,600	4,500	4,500
Maximum out-of-pocket limit	5,700	5,600	5,500	5,500
213(d) qualified LTC premium limits				
Age 40 or less	220	210	210	200
41 – 50	410	400	380	375
50 – 60	820	800	770	750
61 – 70	2,200	2,120	2,050	2,000
Over 70	2,750	2,660	2,570	2,500
7702B(d)(4) qualified LTC contract per diem limit	190	190	180	175

<sup>1</sup> IRC section 132(f) was amended effective for tax years beginning after 1998; the 1999 limits were set to \$175 and \$65, indexed after 1999.

***PBGC Guaranteed Benefits***

The maximum PBGC guaranteed monthly benefit is adjusted annually based on changes in the Social Security contribution and benefit base. For a single-employer defined benefit plan terminating in 2000 the maximum guaranteed benefit will be \$3,221.59 per month—a 5.6% increase over the 1999

limit of \$3,051.14. This amount is adjusted if benefit payments start before age 65 or benefits are paid in a form other than a single-life annuity.

***Federal Income Tax Factors***

Federal income tax factors are adjusted annually based on year-to-year changes in the average cost of living (CPI-U) for

the 12 months from September through the following August. Federal income tax factors increased 1.8% from 1999 to 2000, before rounding.

<i>Item and Filing Status</i>	<i>2000</i>	<i>1999</i>
Personal Exemption	\$2,800	\$2,750
Standard Deduction		
Single	4,400	4,300
Head of Household	6,450	6,350
Married, Filing Jointly	7,350	7,200
Married, Filing Separately	3,675	3,600
Additional Standard Deduction (for elderly or blind)		
Unmarried	1,100	1,050
Married	850	850
"Kiddie" Deduction	700	700
Breakpoint between 15% and 28% rates		
Single	26,250	25,750
Head of Household	35,150	34,550
Married, Filing Jointly	43,850	43,050
Married, Filing Separately	21,925	21,525
Breakpoint between 28% and 31% rates		
Single	63,550	62,450
Head of Household	90,800	89,150
Married, Filing Jointly	105,950	104,050
Married, Filing Separately	52,975	52,025
Breakpoint between 31% and 36% rates		
Single	132,600	130,250
Head of Household	147,050	144,400
Married, Filing Jointly	161,450	158,550
Married, Filing Separately	80,725	79,275
Breakpoint between 36% and 39.6% rates		
Single	288,350	283,150
Head of Household	288,350	283,150
Married, Filing Jointly	288,350	283,150
Married, Filing Separately	144,175	141,575

Personal exemptions are phased out for taxpayers whose adjusted gross incomes exceed specified amounts (which vary by tax filing status). For 2000 these "threshold amounts" at which phase-out begins and ends are:

<i>Filing Status</i>	<i>Phase-Out Begins at</i>	<i>Phase-Out Completed after</i>
Unmarried	<b>\$128,950</b>	\$251,450
Head of Household	161,150	283,650
Married, Filing Jointly	193,400	315,900
Married, Filing Separately	96,700	157,950

Total itemized deductions for 2000 are reduced by 3% of a taxpayers adjusted gross income in excess of \$128,950 (\$64,475 for married, filing separately), an increase from \$126,600 in 1999 (\$63,300 for married, filing separately).

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Certain taxpayers are entitled to an earned income tax credit (EIC) equal to the maximum credit amount reduced by the phase-out amount. The phase-out amount equals the product of the phase-out percentage (based on the number of qualifying children) multiplied by the excess, if any, of the taxpayer's modified adjusted gross income or earned income, whichever is greater, over the threshold phase-out amount.

	2000	1999
EIC maximum credit amount		
No qualifying children	\$353	\$347
One qualifying child	2,353	2,312
Two or more qualifying children	3,888	3,816
EIC threshold phase-out amount (and percentage)		
No qualifying children (7.65%)	5,770	5,670
One qualifying child (15.98%)	12,690	12,460
Two or more qualifying children (21.06%)	12,690	12,460

### *Social Security and Supplemental Security Income Amounts*

Social Security benefits payable December 31, 1999 increased 2.4% — the increase in CPI-W from the third quarter of 1998 to the third quarter of 1999. The average monthly Social Security benefits before and after the December 1999 COLA are:

<i>Average Monthly Social Security Benefit</i>	<i>After 12/99 2.4% COLA</i>	<i>Before 12/99 2.4% COLA</i>
All retired workers	\$804	\$785
Aged couple, both receiving benefits	1,348	1,316
Widowed mother and two children	1,611	1,573
Aged widow(er)	775	757
Disabled worker, spouse, and children	1,255	1,225
All disabled workers	754	736

The 2000 taxable wage base, determined from the change in deemed average annual wages from 1997 to 1998, will increase 5%. Other 2000 Social Security and Supplemental Security Income values are:

	<i>2000</i>	<i>1999</i>
Cost-of-living increase	2.4%	1.3%
Average annual wage (2nd preceding year)	\$28,861.44	\$27,426.00
OASDI contribution and benefit base (wage base)	76,200	72,600
“Old law” contribution and benefit base	56,700	53,700
Retirement earnings test exempt amount (annual)		
Under age 65	10,080	9,600
Ages 65 through 69	17,000	15,500
Wages needed for a quarter of coverage	780	740
Maximum monthly social security benefit worker retiring in January at age 65	1,433	1,373
Bend-points—PIA formula applied to average indexed monthly earnings (AIME)		
90% of AIME up to	<b>531</b>	<b>505</b>
32% of AIME over first bend-point up to	3,202	3,043
15% of AIME over second bend-point		
Bend-points—maximum family benefit formula applied to worker's PIA		
150% of PIA up to	679	645
272% of PIA over first bend-point up to	980	931
134% of PIA over second bend-point up to	1,278	1,214
175% of PIA over third bend-point		
SSI federal payment standard (monthly)		
Individual	512	500
Couple	769	751
SSI resources limit		
<b>Individual</b>	2,000	2,000
Couple	3,000	3,000
FICA tax rates		
OASDI employer and employee	6.20%	6.20%
HI employer and employee	1.45%	1.45%
OASDI self-employed	12.40%	12.40%
HI self-employed	2.90%	2.90%
<b>Maximum OASDI employee payroll tax</b>	<b>\$4,724.40</b>	<b>\$4,501.20</b>

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***Covered Compensation***

Covered compensation determines permitted and imputed disparity limits for qualified retirement plans. In lieu of using the actual covered compensation amount, qualified plans may determine permitted or imputed disparity using a rounded covered compensation table published annually by IRS. The 2000 table, published in Revenue Ruling 99-47, is rounded to the nearest \$3,000, but not more than the 2000 OASDI taxable wage base of \$76,200

<i>Calendar Year of Birth</i>	<i>Social Security Retirement Age</i>	<i>Calendar Year of Social Security Retirement Age</i>	<i>Covered Compensation</i>		<i>Rounded Covered Compensation</i>	
			<i>2000</i>	<i>1999</i>	<i>2000</i>	<i>1999</i>
1906	65	1971	4,320	4,320	3,000	3,000
1907	65	1972	4,488	4,488	3,000	3,000
1908	65	1973	4,704	4,704	6,000	6,000
1909	65	1974	5,004	5,004	6,000	6,000
1910	65	1975	5,316	5,316	6,000	6,000
1911	65	1976	5,664	5,664	6,000	6,000
1912	65	1977	6,060	6,060	6,000	6,000
1913	65	1978	6,480	6,480	6,000	6,000
1914	65	1979	7,044	7,044	6,000	6,000
1915	65	1980	7,692	7,692	9,000	9,000
1916	65	1981	8,460	8,460	9,000	9,000
1917	65	1982	9,300	9,300	9,000	9,000
1918	65	1983	10,236	10,236	9,000	9,000
1919	65	1984	11,232	11,232	12,000	12,000
1920	65	1985	12,276	12,276	12,000	12,000
1921	65	1986	13,368	13,368	12,000	12,000
1922	65	1987	14,520	14,520	15,000	15,000
1923	65	1988	15,708	15,708	15,000	15,000
1924	65	1989	16,968	16,968	18,000	18,000
1925	65	1990	18,312	18,312	18,000	18,000
1926	65	1991	19,728	19,728	21,000	21,000
1927	65	1992	21,192	21,192	21,000	21,000
1928	65	1993	22,716	22,716	24,000	24,000
1929	65	1994	24,312	24,312	24,000	24,000
1930	65	1995	25,920	25,920	27,000	27,000
1931	65	1996	27,576	27,576	27,000	27,000
1932	65	1997	29,304	29,304	30,000	30,000
1933	65	1998	31,128	31,128	30,000	30,000
1934	65	1999	33,060	33,060	33,000	33,000
1935	65	2000	35,100	34,992	36,000	36,000
1936	65	2001	37,092	36,888	36,000	36,000
1937	65	2002	39,072	38,772	39,000	39,000
1938	66	2004	42,984	42,468	42,000	42,000
1939	66	2005	44,940	44,328	45,000	45,000
1940	66	2006	46,896	46,176	48,000	45,000
1941	66	2007	48,816	47,988	48,000	48,000

1942	66	2008	50,688	49,752	51,000	51,000
1943	66	2009	52,488	51,456	51,000	51,000
1944	66	2010	54,252	53,124	54,000	54,000
1945	66	2011	55,992	54,768	57,000	54,000
1946	66	2012	57,708	56,364	57,000	57,000
1947	66	2013	59,376	57,936	60,000	57,000
1948	66	2014	60,900	59,352	60,000	60,000
1949	66	2015	62,340	60,684	63,000	60,000
1950	66	2016	63,660	61,920	63,000	63,000
1951	66	2017	64,920	63,060	66,000	63,000
1952	66	2018	66,072	64,116	66,000	63,000
1953	66	2019	67,164	65,112	66,000	66,000
1954	66	2020	68,220	66,060	69,000	66,000
1955	67	2022	70,116	67,752	69,000	69,000
1956	67	2023	71,004	68,544	72,000	69,000
1957	67	2024	71,820	69,240	72,000	69,000
1958	67	2025	72,528	69,852	72,000	69,000
1959	67	2026	73,176	70,404	72,000	69,000
1960	67	2027	73,764	70,884	75,000	72,000
1961	67	2028	74,304	71,316	75,000	72,000
1962	67	2029	74,748	71,664	75,000	72,000
1963	67	2030	75,180	71,988	75,000	72,000
1964	67	2031	75,564	72,264	75,000	72,000
1965	67	2032	75,864	72,480	76,200	72,600
1966	67	2033	76,092	72,600	76,200	72,600
1967or later	67	2034	76,200	72,600	76,200	72,600

**Medicare Premiums and Deductibles**

Medicare premiums, coinsurance, and deductible amounts have changed little since 1999.

	<b>2000</b>	<b>1999</b>
<b>Part A—Hospital Insurance</b>		
Inpatient hospital deductible	\$776.00	\$768.00
Coinsurance		
– Daily coinsurance payment for 61-90 days of inpatient hospital care	194.00	192.00
– Coinsurance for up to 60 lifetime reserve days	388.00	384.00
– Daily coinsurance payment for 21 - 100 days in a skilled nursing facility following a hospital stay of at least three days	<b>97.00</b>	<b>96.00</b>
Voluntary premium for persons not eligible for monthly benefits	301.00	309.00
Alternative reduced premium for persons with 30 – 39 credits	166.00	170.00
<b>Part B—Medical Insurance</b>		
Annual deductible	100.00	100.00
Monthly premium	45.50	45.50

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