



SOCIETY OF ACTUARIES

Article from:

Pension Section News

February 2001 – Issue No. 45

Summary of 2001 IRC, PBGC, Federal Income Tax, Social Security, and Medicare Amounts

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IRC Qualified Retirement Plan Limits

IRS annually adjusts qualified plan limits for increases in the cost of living. The

2001 limits reflect a 3.5% increase in third quarter CPI-U from 1999 to 2000, and they are rounded down to multiples of \$50, \$500, \$5,000, or \$10,000. The

table below shows the 2001 limits before rounding and a five-year summary of rounded IRC qualified plan limits.

IRC Limit	Unrounded 2001	Rounded IRC Limits				
		2001	2000	1999	1998	1997
401(k) plan elective deferral limit	\$10,973	\$10,500	\$10,500	\$10,000	\$10,000	\$9,500
403(b) plan elective deferral limit	10,973	10,500	10,500	10,000	10,000	9,500
Eligible 457 plan deferral limit	8,717	8,500	8,000	8,000	8,000	7,500
SIMPLE plan elective deferral limit	6,600	6,500	6,000	6,000	6,000	6,000
415 defined benefit maximum annuity	141,075	140,000	135,000	130,000	130,000	125,000
415 defined contribution maximum annual addition	35,625	35,000	30,000	30,000	30,000	30,000
401(a)(17) and 408(k)(3)(C) compensation limit	178,125	170,000	170,000	160,000	160,000	160,000
414(q)(1)(B) highly compensated employee and 414(q)(1)(C) top-paid group	88,000	85,000	85,000	80,000	80,000	80,000
408(k)(2)(C) SEP minimum compensation	470	450	450	400	400	400
409(o)(1)(c) tax-credit ESOP distribution period						
5-year maximum balance	783,750	780,000	755,000	735,000	725,000	710,000
1-year extension	156,750	155,000	150,000	145,000	145,000	140,000

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 2001 limits reflect the 3.1% increase in the average CPI-U for the 12 months ending August 31. The qualified trans-

portation 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 2001 limits reflect the 4.2% increase in the medical care

component of the CPI from August 1999 to August 2000, and are rounded to the nearest multiple of \$10.

The table on the next page shows these rounded IRC limits for 1997 through 2001.

<i>IRC Limit</i>	<i>2001</i>	<i>2000</i>	<i>1999</i>	<i>1998</i>	<i>1997</i>
132(f) tax-free qualified transportation fringe benefit					
Parking	\$180	\$175	\$175 ¹	\$175	\$170
Transit passes or commuter highway vehicle transportation	65	65	65 ¹	65	65
220(c)(2) MSA high deductible health plan – self-only coverage					
Minimum annual deductible	1,600	1,550	1,550	1,500	1,500
Maximum annual deductible	2,400	2,350	2,300	2,250	2,250
Maximum out-of-pocket limit	3,200	3,100	3,050	3,000	3,000
220(c)(2) MSA high deductible health plan – family coverage					
Minimum annual deductible	3,200	3,100	3,050	3,000	3,000
Maximum annual deductible	4,800	4,650	4,600	4,500	4,500
Maximum out-of-pocket limit	5,850	5,700	5,600	5,500	5,500
213(d) qualified LTC premium limits					
Age 40 or less	230	220	210	210	200
41 – 50	430	410	400	380	375
50 – 60	860	820	800	770	750
61 – 70	2,290	2,200	2,120	2,050	2,000
Over 70	2,860	2,750	2,660	2,570	2,500
7702B(d)(4) qualified LTC contract per diem limit	200	190	190	180	175

¹ 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 “old law” contribution and benefit base. For a single-employer defined benefit plan terminating in 2001, the maximum

guaranteed benefit will be \$3,392.05 per month — a 5.3% increase over the 2000 limit of \$3,221.59. 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 CPI-U for the 12 months ending August 31. Federal income tax factors increased 3.1% from 2000 to 2001, before rounding.

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<i>Item and Filing Status</i>	<i>2001</i>	<i>2000</i>
Personal Exemption	\$2,900	\$2,800
Standard Deduction		
Single	4,550	4,400
Head of Household	6,650	6,450
Married, Filing Jointly	7,600	7,350
Married, Filing Separately	3,800	3,675
Additional Standard Deduction (for elderly or blind)		
Unmarried	1,100	1,100
Married	900	850
"Kiddie" Deduction	750	700
Breakpoint between 15% and 28% rates		
Single	27,050	26,250
Head of Household	36,250	35,150
Married, Filing Jointly	45,200	43,850
Married, Filing Separately	22,600	21,925
Breakpoint between 28% and 31% rates		
Single	65,550	63,550
Head of Household	93,650	90,800
Married, Filing Jointly	109,250	105,950
Married, Filing Separately	54,625	52,975
Breakpoint between 31% and 36% rates		
Single	136,750	132,600
Head of Household	151,650	147,050
Married, Filing Jointly	166,500	161,450
Married, Filing Separately	83,250	80,725
Breakpoint between 36% and 39.6% rates		
Single	297,350	288,350
Head of Household	297,350	288,350
Married, Filing Jointly	297,350	288,350
Married, Filing Separately	148,675	144,175

Personal exemptions are phased out for taxpayers whose adjusted gross incomes exceed specified amounts (which vary by tax filing status). For 2001 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	\$132,950	\$255,450
Head of Household	166,200	288,700
Married, Filing Jointly	199,450	321,950
Married, Filing Separately	99,725	160,975

Total itemized deductions for 2001 are reduced by 3% of a taxpayer's adjusted gross income in excess of \$132,950 (\$66,475 for married, filing separately), an increase from \$128,950 in 2000 (\$64,475 for married, filing separately).

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.

	<i>2001</i>	<i>2000</i>
EIC maximum credit amount		
No qualifying children	\$364	\$353
One qualifying child	2,428	2,353
Two or more qualifying children	4,008	3,888
EIC threshold phase-out amount (and percentage)		
No qualifying children (7.65%)	5,950	5,770
One qualifying child (15.98%)	13,090	12,690
Two or more qualifying children (21.06%)	13,090	12,690

Social Security and Supplemental Security Income Amounts

Social Security benefits payable December 31, 2000, will increase 3.5% — the increase in CPI-W from the third quarter of 1999 to the third quarter of 2000. The average monthly Social Security benefits before and after the December 2000 COLA are:

<i>Average Monthly Social Security Benefit</i>	<i>After 12/2000 3.5% COLA</i>	<i>Before 12/2000 3.5% COLA</i>
All retired workers	\$845	\$816
Aged couple, both receiving benefits	1,410	1,363
Widowed mother and two children	1,696	1,639
Aged widow(er)	811	783
Disabled worker, spouse, and children	1,310	1,266
All disabled workers	786	759

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The 2001 taxable wage base, determined from the change in deemed average annual wages from 1998 to 1999, will increase 5.5%. Other 2001 Social Security and Supplemental Security Income values are:

	2001	2000
Cost-of-living increase	3.5%	2.4%
Average annual wage (2nd preceding year)	\$30,469.84	\$28,861.44
OASDI contribution and benefit base (wage base)	80,400	76,200
“Old law” contribution and benefit base	59,700	56,700
Retirement earnings test exempt amount (annual)		
Under age 65 – all year	10,680	10,080
Attained age 65 (period before the month 65 is attained)	25,000	17,000
Age 65 (birth month and later)	No limit	No limit
Wages needed for a quarter of coverage	830	780
Maximum monthly Social Security benefit (worker retiring in January at age 65)	1,536	1,433
Bend-points—PIA formula applied to average indexed monthly earnings (AIME)		
90% of AIME up to	561	531
32% of AIME over first bend-point up to	3,381	3,202
15% of AIME over second bend-point		
Bend-points—maximum family benefit formula applied to worker's PIA		
150% of PIA up to	717	679
272% of PIA over first bend-point up to	1,034	980
134% of PIA over second bend-point up to	1,349	1,278
175% of PIA over third bend-point		
SSI federal payment standard (monthly)		
Individual	530	512
Couple	796	769
SSI resources limit		
Individual	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%
Maximum OASDI employee payroll tax	\$4,984.80	\$4,724.40

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. IRS has not yet published the 2001 rounded covered compensation table. The 2001 rounded table shown below is rounded to the nearest \$3,000 (but not more than the 2001 OASDI taxable wage base of \$80,400). This is the same rounding method used in the 2000 rounded covered compensation table published by IRS in Revenue Ruling 99-47.

<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>2001</i>	<i>2000</i>	<i>2001</i>	<i>2000</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

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Calendar Year of Birth	Social Security Retirement Age	Calendar Year of Social Security Retirement Age	Covered Compensation		Rounded Covered Compensation	
			2001	2000	2001	2000
1935	65	2000	35,100	35,100	36,000	36,000
1936	65	2001	37,212	37,092	36,000	36,000
1937	65	2002	39,312	39,072	39,000	39,000
1938	66	2004	43,464	42,984	42,000	42,000
1939	66	2005	45,540	44,940	45,000	45,000
1940	66	2006	47,616	46,896	48,000	48,000
1941	66	2007	49,656	48,816	51,000	48,000
1942	66	2008	51,648	50,688	51,000	51,000
1943	66	2009	53,568	52,488	54,000	51,000
1944	66	2010	55,452	54,252	54,000	54,000
1945	66	2011	57,312	55,992	57,000	57,000
1946	66	2012	59,148	57,708	60,000	57,000
1947	66	2013	60,936	59,376	60,000	60,000
1948	66	2014	62,580	60,900	63,000	60,000
1949	66	2015	64,140	62,340	63,000	63,000
1950	66	2016	65,580	63,660	66,000	63,000
1951	66	2017	66,960	64,920	66,000	66,000
1952	66	2018	68,232	66,072	69,000	66,000
1953	66	2019	69,444	67,164	69,000	66,000
1954	66	2020	70,620	68,220	72,000	69,000
1955	67	2022	72,756	70,116	72,000	69,000
1956	67	2023	73,764	71,004	75,000	72,000
1957	67	2024	74,700	71,820	75,000	72,000
1958	67	2025	75,528	72,528	75,000	72,000
1959	67	2026	76,296	73,176	75,000	72,000
1960	67	2027	77,004	73,764	78,000	75,000
1961	67	2028	77,664	74,304	78,000	75,000
1962	67	2029	78,228	74,748	78,000	75,000
1963	67	2030	78,780	75,180	78,000	75,000
1964	67	2031	79,284	75,564	80,400	75,000
1965	67	2032	79,704	75,864	80,400	76,200
1966	67	2033	80,052	76,092	80,400	76,200
1967	67	2034	80,280	76,200	80,400	76,200
1968 or later	67	2035	80,400	76,200	80,400	76,200

Medicare Premiums and Deductibles

Medicare premiums, coinsurance, and deductible amounts changed little from 2000 to 2001:

	2001	2000
Part A—Hospital Insurance		
Inpatient hospital deductible	\$792.00	\$776.00
Coinsurance		
– Daily coinsurance payment for 61-90 days of inpatient hospital care	198.00	194.00
– Coinsurance for up to 60 lifetime reserve days	396.00	388.00
– Daily coinsurance payment for 21 - 100 days in a skilled nursing facility following a hospital stay of at least three days	99.00	97.00
Voluntary premium for persons not eligible for monthly benefits	300.00	301.00
Alternative reduced premium for persons with 30 – 39 credits	165.00	166.00
Part B—Medical Insurance		
Annual deductible	100.00	100.00
Monthly premium	50.00	45.50

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