

THE FOLLOWING HIGHLIGHTS THE CHANGES BEGINNING IN 2013 FOR DOLLAR LIMITATIONS ON QUALIFIED PENSION PLANS, SOCIAL SECURITY AND MEDICARE DEDUCTIBLES/PREMIUMS.

The Internal Revenue Service provides dollar limitations on benefits and contributions under qualified retirement plans. It also allows these limitations to be adjusted annually for cost-of-living increases.

The Social Security Administration (SSA) generally increases the maximum taxable earnings under the Social Security portion (OASDI) of Social Security and Medicare each year. The SSA also provides cost-of-living adjustments for Social Security beneficiaries based on the changes in the Consumer Price Index (CPI). Medicare premiums and deductibles are also adjusted annually and shown below for 2011 and 2012.

	2013	2012	2011
IRS Limitations			
Maximum annual compensation limit	\$255,000	\$250,000	\$245,000
Maximum annual benefit under DB plan	\$205,000	\$200,000	\$195,000
Maximum annual contribution under DC plan	\$51,000	\$50,000	\$49,000
Highly compensated employee limit	\$115,000	\$115,000	\$110,000
Maximum 401(k) elective deferral limit	\$17,500	\$17,000	\$16,500
Maximum 403(b)/457(b) elective deferral limit	\$17,500	\$17,000	\$16,500
Catch-up contribution for individuals over 50	\$5,500	\$5,500	\$5,500

	2013	2012	2011
Social Security			
Maximum taxable earnings	\$113,700	\$110,100	\$106,800
Benefit Cost-of-Living Adjustment (COLA)	1.7%	3.6%	0.0%
Maximum annual benefit (age 65 retirement)	\$28,968	\$27,720	\$26,988
Medicare			
Part A deductible	\$*	\$1,156	\$1,132
Part B deductible	\$*	\$140	\$162
Part A coinsurance			
1-60 days	\$0	\$0	\$0
61-90 days	\$*	\$289	\$283
Lifetime reserve	\$*	\$578	\$566
Part B premium**	\$*	\$99.90	\$96.40

* *New figures not released at this time.*

** *New Beneficiaries and Beneficiaries with higher incomes may be subject to a larger premium amount.*