

By the Numbers: The 2015 Indexed Pension and Social Security Numbers

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Abstract: The 2015 indexed pension and Social Security numbers are presented in an easy-to-read table. Feel free to photocopy this table and keep it handy.

2015 INDEXED PENSION AND SOCIAL SECURITY NUMBERS		
PENSION NUMBERS	2014	2015
<p>Sec. 415 Limit for Defined-Benefit Plans (Sec. 415(b)(1)(A)) Maximum yearly benefit allowed is the lesser of 100% of the highest 3 years' compensation or the indicated figure. Reductions apply for plans with pre-62 retirement ages and for participants with fewer than 10 years of service. *This amount will be indexed in \$5,000 increments when applicable.</p>	\$210,000	\$210,000*
<p>Sec. 415 Limit for Defined-Contribution Plans (Sec. 415(c)(1)(A)) Maximum annual addition is the lesser of these numbers. *This amount will be indexed in \$1,000 increments when applicable.</p>	\$52,000/100 percent of salary	\$53,000*/100 percent of salary
<p>Annual Limit on Includible Compensation (Sec. 401(a)(17)) Maximum compensation that can be taken into account when determining an individual contribution or benefit. The limit for certain governmental plans is \$395,000 in 2015. *This amount will be indexed in \$5,000 increments when applicable.</p>	\$260,000	\$265,000*
<p>Highly Compensated Employee (Sec. 414(q)(1)(B)) A person who earns over the indicated limits in the prior year and who is in the top 20% of employees (if elected) is a highly compensated employee. In addition, a person who was a 5% owner at any time during the year or preceding year is also a highly compensated employee. *This amount will be indexed in \$5,000 increments when applicable.</p>	\$115,000	\$120,000*
<p>Key Employee (Sec. 416(i)(1)(A)(i)) An employee is considered a key employee if, during the prior year, the employee was (1) an officer with compensation in excess of the listed figure, (2) a 5% owner, or (3) a 1% owner with compensation in excess of \$150,000 (not indexed). The law limits the number of officers treated as key employees. The family ownership attribution rule applies in determining whether an individual is a 5% owner of the employer for purposes of the top-heavy rules. *This amount will be indexed in \$5,000 increments when applicable.</p>	\$170,000	\$170,000*
<p>Elective Deferrals for a 401(k) Plan or SARSEP (Sec. 402(g)(1)) The indicated figure is the maximum salary reduction that a participant can make under Sec. 402(g)(1). *This amount will be indexed when applicable.</p>	\$17,500	\$18,000*
<p>401(k) Catch-up Provision (Sec. 414(v)(2)(B)(i)) Individuals aged 50 and older by the end of the year would be allowed to make annual catch-up contributions to a 401(k) plan. The catch up for 2015 is a \$6,000 increase over the traditional 401(k) amounts. The list represents the total amount of salary deferral possible for this cohort. *Inflation adjustments may be made in \$500 increments when applicable.</p>	\$23,000	\$24,000*
<p>Elective Deferrals for a 403(b) Plan (Sec. 403(b) and Sec. 402(g)(1)) The indicated figure is the maximum salary reduction that a participant can make under a 403(b) plan. *This amount will be indexed when applicable.</p>	\$17,500	\$18,000*
<p>403(b) Supplemental Catch-up Provision (Sec. 414(v)(2)(B)(i)) In 2015, in addition to the catch-up provisions now available for 403(b) plans, an individual aged 50 or older by the end of the year would be allowed to make an annual supplemental catch-up contribution of \$6,000 to the 403(b) plan. The list represents the total amount of salary deferral possible for this cohort. *Inflation adjustments may be made in \$500 increments when applicable.</p>	\$23,000	\$24,000*

PENSION NUMBERS	2014	2015
Elective Deferrals for a SIMPLE (Sec. 408(p)(2)(E)) The figure is the maximum salary reduction that a participant can make under a SIMPLE or 401(k) SIMPLE. *Inflation adjustments may be made in \$500 increments.	\$12,000	\$12,500*
Simple Catch-up Provision (Sec. 414(v)(2)(B)(ii)) Individuals aged 50 and older by the end of the year would be allowed to make annual catch-up contributions to a SIMPLE plan. The catch up for 2015 is a \$3,000 increase over the traditional SIMPLE amounts. The list represents the total amount of salary deferral possible for this cohort. *Inflation adjustments may be made in \$500 increments when applicable.	\$14,500	\$15,500*
Part-Time Employee Limitation for a SEP (Sec. 408(k)(2)(C)) Employees who earn over the indicated limits must be included in a SEP if they are otherwise eligible. *Inflation adjustments may be made in \$50 increments when applicable.	\$550	\$600*
457 Limitation (Sec. 457(e)(15)) Nonqualified plan for state and local government and tax-exempt organizations. *Inflation adjustments will be made in \$500 increments when applicable. Also note that government-sponsored 457 plans can allow a catch-up contribution of \$6,000 for those who are age 50 or older in 2015. In addition, a 457 plan can specifically provide that in the 3 years prior to the plan's normal retirement age a special limit applies. The special limit is the lesser of twice the annual limit or the basic limit plus the amount of the basic limit not used in prior years.	\$17,500	\$18,000*
Deductible, Nondeductible, and Roth IRA Contribution Limits (Secs. 219(b)(1)(A) and 408(a)(1)) These are the limitations on how much can be contributed to the IRA. *Indexed for inflation in \$500 increments when applicable.	\$5,500	\$5,500*
IRA Catch-up Provision for Individuals 50 or Older by Year End (Sec. 219(a)(5)(B)) The amount that can be contributed for those 50 or older by year end. The catch up is \$1,000 in 2008 and subsequent years. The listed number is the total amount that can be contributed for this cohort. The catch-up limit of \$1,000 will not be adjusted for cost-of-living increases under current law.	\$6,500	\$6,500
Traditional IRA Phaseout Modified Adjusted Gross Income Limitations (Sec. 219(g)(3)(B)) Joint return floor Joint return ceiling Single/HOH floor Single/HOH ceiling Married-filing-separately floor Married-filing-separately ceiling Spouse (nonworking) coverage-only floor Spouse (nonworking) coverage-only ceiling *Indexed for inflation when applicable.	\$96,000 \$116,000 \$60,000 \$70,000 0 \$10,000 \$181,000 \$191,000	\$98,000* \$118,000* \$61,000* \$71,000* 0 \$10,000 \$183,000* \$193,000*
Roth IRA Modified Adjusted Gross Income Limits (Sec. 408A(c)(3)(C)) Joint return floor Joint return ceiling Single/HOH floor Single/HOH ceiling Roth conversion limit *Indexed for inflation when applicable.	\$181,000 \$191,000 \$114,000 \$129,000 No Limit	\$183,000* \$193,000* \$116,000* \$131,000* No Limit
PBGC Maximum Monthly Guaranteed Benefit	\$4,943.18	\$5,011.33
PBGC Flat Premium Rate The Bipartisan Budget Act of 2013 provides for a \$64 premium in 2016.	\$49	\$57

Other Important Pension Numbers

The income limit for the savers credit (IRC Sec. 25B) for 2015 is \$61,000 (was \$60,000 in 2014) for taxpayers who are married filing jointly. The limit for taxpayers filing as head of household is \$45,750 in 2015 (was \$45,000 in 2014). The limit for taxpayers filing as single and married filing separately is \$30,500 in 2015 (was \$30,000 in 2014). The savers tax credit is available to taxpayers below the threshold who contribute to a regular or Roth IRA, regular or Roth 401(k), regular or Roth 403(b) plan, 457 plan, SIMPLE, or SARSEP. The credit percentage is:

Credit Percentage	MFJ	Single	Head of Household
50%	0 - \$36,500	0 - \$18,250	0 - \$27,375
20%	\$36,500.01 - \$39,500	\$18,250.01 - \$19,750	\$27,375.01 - \$29,625
10%	\$39,500.01 - \$61,000	\$19,750.01 - \$30,500	\$29,625.01 - \$45,750

SOCIAL SECURITY NUMBERS	2014	2015	2016
Social Security Tax Rate (Employee—FICA) OASDI Medicare This is the percentage at which both the individual and employer are taxed for Social Security purposes. In 2015, the Medicare tax rate will be .9% (1.45% to 2.35%) on earned income exceeding \$200,000 for single taxpayers and \$250,000 for joint-filers.	6.2% 1.45%	6.2% 1.45%	Anticipated to remain constant
Social Security Tax Rate (Self-Employed—SECA) OASDI Medicare This is the percentage at which a self-employed individual is taxed for Social Security purposes. An above-the-line deduction is available for 1/2 of SECA taxes.	12.4% 2.9%	12.4% 2.9%	Anticipated to remain constant
Taxable Wage Base This is the maximum amount of covered earnings on which Social Security old age, survivors, and disability insurance (OASDI) taxes are paid.	\$117,000	\$118,500	Increases adjusted according to wage levels
Medicare Wage Base This is the maximum amount of coverage earnings on which Social Security hospital insurance taxes are paid.	Unlimited	Unlimited	Anticipated to remain unlimited
Social Security Reduction for Postretirement Earnings (Under Full Retirement Age) If earnings exceed the stated limit, Social Security recipients will “lose” \$1 in Social Security benefits for every \$2 earned in excess of the limit.	\$15,480 (\$1,290/Mo.)	\$15,720 (\$1,310/Mo.)	Indexed for inflation each year
Modified Test That Applies for the Year an Individual Reaches Full Retirement Age Applies only to earnings for months prior to attaining full retirement age. Signed into law as the Senior Citizen’s Freedom to Work Act; \$1 reduction per \$3 over the limit.	\$41,400 (\$3,450/Mo.)	\$41,880 (\$3,490/Mo.)	Indexed for inflation each year
Medicare: Part B Monthly Premium The Medicare Part B monthly premium will be \$104.90.	\$104.90	\$104.90	Cost of living adjusted

SOCIAL SECURITY NUMBERS

Medicare: Part B Monthly Premium Changes

Starting in 2007, changes instituted by the Medicare Modernization Act required those with higher incomes to pay a greater percentage of Medicare Part B costs. Before the change, Part B beneficiaries were responsible for premiums approximately equal to 25% of the total cost of the benefit. (The federal government pays the remaining 75%.) In order to bolster Medicare's sustainability, beneficiaries with incomes over specified thresholds will pay a monthly premium equal to 35, 50, 65, or 80 percent of the total cost, depending on their income level. Note that there is a two-year look-back rule for determining income, so except in special circumstances, income from 2013 is used to determine premiums for 2015.

INDEXED NUMBERS				
	<u>2013 Income</u>	<u>Part B Monthly Premium for 2015</u>		
Single MFJ	\$85,000 or less \$170,000 or less	\$104.90		
Single MFJ	Over \$85,000 up to \$107,000 Over \$170,000 up to \$214,000	\$146.90		
Single MFJ	Over \$107,000 up to \$160,000 Over \$214,000 up to \$320,000	\$209.80		
Single MFJ	Over \$160,000 up to \$214,000 Over \$320,000 up to \$428,000	\$272.70		
Single MFJ	Over \$214,000 Over \$428,000	\$335.70		
Medicare: Part A Monthly Premium This is the amount of monthly premium for Medicare Part A hospital insurance for those retirees who are not eligible for this benefit without charge and have less than 30 quarters with coverage. High-income earners pay more.		\$426	\$407	Cost of living adjusted
Social Security Quarterly Earnings The amount needed to be earned to receive a quarter of Social Security coverage. Forty quarters are needed for coverage under the system.		\$1,200	\$1,220	Cost of living adjusted
Social Security Benefits Cost-of-Living Increase Amount that Social Security recipients' checks will increase based on CPI-W.		1.5%	1.7%	Cost of living adjusted
Part A Deductible Deductible is for the first 60 days in a benefit period.		\$1,216	\$1,260	Cost of living adjusted
Part A Coinsurance From the 61st to the 90th day in each benefit period.		\$304	\$315	Cost of living adjusted
Part A Coinsurance For the 60 lifetime reserve days.		\$608	\$630	Cost of living adjusted
Part A Skilled Nursing Facility Per diem from the 21st to the 100th day.		\$152	\$157.50	Cost of living adjusted

PIA Formula For an individual who first becomes eligible for old-age insurance benefits or disability insurance benefits in 2015, or who dies in 2015 before becoming eligible for benefits, his or her PIA will be the sum of: (a) 90% of the first \$826 of his or her average indexed monthly earnings, plus (b) 32% of his or her average indexed monthly earnings over \$826 and through \$4,980, plus (c) 15% of his or her average indexed monthly earnings over \$4,980. The resulting amount is rounded to the next lower multiple of \$.10 if it is not already a multiple of \$.10.

Other Important Social Security Numbers

- The Medicare Part B deductible for 2015 is \$147.
- The maximum federal Supplemental Security Income (SSI) payment amount for 2015 is \$733 per month for an eligible individual or \$1,100 per month for an eligible couple.
- The maximum Social Security benefit for a worker retiring at full retirement age was \$2,663 per month (\$31,956 per year).
- The average Social Security benefit for all retired workers in 2015 is \$1,328 per month (\$15,936 per year).
- The average Social Security benefit for a couple, both receiving benefits in 2015, is \$2,176 per month (\$26,112 per year).

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