

# Hay Group Benefits 2009 Reference Guide



## 2009 Retirement and Health and Welfare Plan Limits, Social Security and Medicare Changes

### Including a Table of Retirement Plan Limits from 1990 to Present

Plan administrators must concern themselves with a broad array of annual limits and thresholds that affect a variety of employee benefits. This Reference Guide consolidates these limits to give plan administrators quick access to this information.

- Page 1 lists updated limits and other cost-of-living adjusted numbers affecting retirement plans.
- Page 2 lists 2009 health, welfare and fringe benefit plan limits and 2009 figures needed to determine Social Security benefits and contributions.
- Page 3 lists 2009 Medicare premiums
- Page 4 provides key retirement plan-related annual limits from 1990 to 2009.
- Page 5 provides the 2009 covered compensation tables.

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### 2009 Limits and Other Cost-of-Living Adjusted Numbers Affecting Retirement Plans

Maximum 401(k), 403(b) and 457 Deferrals (402(g)(1))	\$ 16,500
Age 50 or Over Catch-up Contribution Limit (414(v)(2)(B)(i))	5,500
Defined Contribution Maximum Annual Addition (415(c)(1)(A))	49,000
HCE Compensation Threshold (414(q)(1)(B))	110,000
Defined Benefit Maximum Annual Benefit (415(b)(1)(A))	195,000
Limit on Compensation (401(a)(17))	245,000
Social Security Maximum Taxable Earnings	106,800

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This Hay Group Benefits Reference Guide is designed to provide accurate information, but is not intended as legal advice for which the services of an attorney should be sought.

If you would like more information about any of the topics covered in this Reference Guide or other benefits issues, contact your Hay Group Consultant or Melissa Rasman at [Melissa.Rasman@haygroup.com](mailto:Melissa.Rasman@haygroup.com) or (215) 861-2350 or Robert Landau at [Robert.Landau@haygroup.com](mailto:Robert.Landau@haygroup.com) or (703) 841-3123.

### 2009 Limits for Health, Welfare and Fringe Benefit Plans

Adoption Assistance Tax Credit	\$12,150
Qualified Long-Term Care Insurance	\$280 per diem
Transportation: Transit and Commuter Highway Vehicle	\$120 per month
Transportation: Parking	\$230 per month
Health Savings Accounts (HSAs) High Deductible Health Plan (HDHP)	<ul style="list-style-type: none"> <li>• Contribution Limit per Individual: \$3,000</li> <li>• Contribution Limit per Family: \$5,950</li> <li>• Catch-up for Age 55 and Over: \$1,000</li> <li>• Out-of-Pocket Maximum per Individual: \$5,800</li> <li>• Out-of-Pocket Maximum per Family: \$11,600</li> <li>• Minimum Deductible per Individual: \$1,150</li> <li>• Minimum Deductible per Family: \$2,300</li> </ul>
Medical Savings Accounts (MSAs) High Deductible Health Plan (HDHP)	<ul style="list-style-type: none"> <li>• Out-of-Pocket Maximum per Individual: \$4,000</li> <li>• Out-of-Pocket Maximum per Family: \$7,350</li> <li>• Deductible (Range) per Individual: \$2,000 to \$3,000</li> <li>• Deductible (Range) per Family: \$4,000 to \$6,050</li> </ul>

### 2009 Social Security Benefits and Contributions Figures

Annual Cost-of-Living Adjustment	5.8%
OASDI (Social Security) Contribution and Benefits Base	\$106,800
Employer/Employee Social Security (OASDI) Tax Rate	6.20%
Medicare (HI) Wage Base	No limit
Employer/Employee Medicare (HI) Tax Rate	1.45%
National Average Wage Index for 2007	\$40,405.48
Primary Insurance Amount Bend Points	\$744 / \$4,483
Family Maximum Benefit Bend Points	\$950 / \$1,372 / \$1,789
"Old-law" Contribution and Benefits Base	\$79,200
Earnings required for a quarter of coverage	\$1,090
Retirement Earnings Test Exempt Amounts* (Year Individual Reaches Full Retirement Age) The exempt amounts apply only to earnings for months before the individual attains full retirement age. \$1 in benefits will be withheld for every \$3 in earnings above the limit.	\$37,680 per year \$3,140 per month
Retirement Earnings Test Exempt Amounts* (Under Full Retirement Age) \$1 in benefits will be withheld for every \$2 in earnings above the limit.	\$14,160 per year \$1,180 per month

\* Social Security withholds benefits if an individual's earnings exceed a certain level, called a retirement earnings test exempt amount. There is no limit on earnings beginning in or after the month an individual attains Social Security full retirement age.

## 2009 MEDICARE PREMIUMS

### PART A

Yearly Income Level	Monthly Premium	Annual Deductible
40 or more quarters of Medicare covered employment by employee or spouse	\$0	Varies by service and length of time for treatment
Less than 30 quarters of Medicare covered employment and not otherwise eligible for premium free Part A coverage	\$443	
30-39 quarters of Medicare covered employment	\$244	

### PART B

Yearly Income Level		Income-Related Monthly Adjustment Amount	Total Monthly Premium Amount	Annual Deductible
<b>Individual Tax Return Filers</b>	<b>Beneficiaries Who File Joint Tax Returns</b>			\$135
Less than or equal to \$85,000	Less than or equal to \$170,000	\$0	\$96.40	
Greater than \$85,000 – not more than \$107,000	Greater than \$170,000 – not more than \$214,000	\$38.50	\$134.90	
Greater than \$107,000 – not more than \$160,000	Greater than \$214,000 – not more than \$320,000	\$96.30	\$192.70	
Greater than \$160,000 – not more than \$213,000	Greater than \$320,000 – not more than \$426,000	\$154.10	\$250.50	
More than \$213,000	More than \$426,000	\$211.90	\$308.30	
<b>Beneficiaries who are married but file a separate tax return from their spouse</b>				
Less than or equal to \$85,000		\$0	\$96.40	
Greater than \$85,000 and less than or equal to \$128,000		\$154.10	\$250.50	
Greater than \$128,000		\$211.90	\$308.30	

### PART D

	Monthly Premium	Annual Deductible
National average Part D prescription drug premium	\$30.36	Varies by plan: National average deductible \$295

## Table of Historical Limits and Other Numbers Affecting Retirement Plans

Year	Defined Benefit Maximum Annual Benefit (415(b)(1)(A))	Defined Contribution Maximum Annual Addition (415(c)(1)(A))	Maximum 401(k), 403(b) and 457(b) Deferrals (402(g)(1))	Age 50 or Over Catch-up Contributions (414(v)(2)(B)(i))	HCE Compensation Threshold (414(q)(1)(B))	Limit on Compensation (401(a)(17))	Social Security Maximum Taxable Earnings	Monthly Maximum PBGC Guaranteed Benefit
1990	\$ 102,582	\$30,000	\$7,979	N/A	\$85,485	\$209,200	\$51,300	\$2,164.77
1991	108,963	30,000	8,475	N/A	90,803	222,220	53,400	2,250.00
1992	112,221	30,000	8,728	N/A	93,518	228,860	55,500	2,352.27
1993	115,641	30,000	8,994	N/A	96,368	235,840	57,600	2,437.50
1994	118,800	30,000	9,240	N/A	99,000	150,000	60,600	2,556.82
1995	120,000	30,000	9,240	N/A	100,000	150,000	61,200	2,573.86
1996	120,000	30,000	9,500	N/A	100,000	150,000	62,700	2,642.05
1997	125,000	30,000	9,500	N/A	80,000	160,000	65,400	2,761.36
1998	130,000	30,000	10,000	N/A	80,000	160,000	68,400	2,880.68
1999	130,000	30,000	10,000	N/A	80,000	160,000	72,600	3,051.14
2000	135,000	30,000	10,500	N/A	85,000	170,000	76,200	3,221.59
2001	140,000	35,000	10,500	N/A	85,000	170,000	80,400	3,392.05
2002	160,000	40,000	11,000	\$1,000	90,000	200,000	84,900	3,579.55
2003	160,000	40,000	12,000	2,000	90,000	200,000	87,000	3,664.77
2004	165,000	41,000	13,000	3,000	90,000	205,000	87,900	3,698.86
2005	170,000	42,000	14,000	4,000	95,000	210,000	90,000	3,801.14
2006	175,000	44,000	15,000	5,000	100,000	220,000	94,200	3,971.58
2007	180,000	45,000	15,500	5,000	100,000	225,000	97,500	4,125.00
2008	185,000	46,000	15,500	5,000	105,000	230,000	102,000	4,312.50
2009	195,000	49,000	16,500	5,500	110,000	245,000	106,800	4,500.00

## 2009 Social Security Covered Compensation Tables

Calendar Year of Birth	Calendar Year Person Attains SSNRA*	2009 Covered Compensation Table (Exact Amount)	2009 Covered Compensation Table (Rounded to the nearest multiple of \$3000)	2009 Covered Compensation Table (Rounded down to a multiple of \$12)
1940	2006	48,820	48,000	48,816
1941	2007	51,349	51,000	51,348
1942	2008	53,954	54,000	53,952
1943	2009	56,629	57,000	56,628
1944	2010	59,277	60,000	59,268
1945	2011	61,891	63,000	61,884
1946	2012	64,471	63,000	64,464
1947	2013	67,017	66,000	67,008
1948	2014	69,414	69,000	69,408
1949	2015	71,726	72,000	71,724
1950	2016	73,929	75,000	73,920
1951	2017	76,054	75,000	76,044
1952	2018	78,086	78,000	78,084
1953	2019	80,057	81,000	80,052
1954	2020	81,977	81,000	81,972
1955	2022	85,629	87,000	85,620
1956	2023	87,394	87,000	87,384
1957	2024	89,074	90,000	89,064
1958	2025	90,660	90,000	90,660
1959	2026	92,186	93,000	92,184
1960	2027	93,651	93,000	93,648
1961	2028	95,057	96,000	95,052
1962	2029	96,377	96,000	96,372
1963	2030	97,680	99,000	97,680
1964	2031	98,940	99,000	98,940
1965	2032	100,123	99,000	100,116
1966	2033	101,220	102,000	101,220
1967	2034	102,197	102,000	102,192
1968	2035	103,071	102,000	103,068
1969	2036	103,826	105,000	103,824
1970	2037	104,451	105,000	104,448
1971	2038	105,017	105,000	105,012
1972	2039	105,557	105,000	105,552
1973	2040	106,037	106,800	106,032
1974	2041	106,397	106,800	106,392
1975	2042	106,663	106,800	106,656
1976 and later	2043	106,800	106,800	106,800

\* SSNRA is the Social Security Normal Retirement Age