

BenefitBeat



Author: Karen R. McLeese, Esq.

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ANNOUNCING:

THE 2013 EDINGTON NEXT PRACTICE AWARDS

We are pleased to announce the application submission process for the 2013 Edington Next Practice Awards, co-sponsored by Edington Associates and CBIZ. This award recognizes organizations that are actively engaged in the pursuit of a healthy, high-performing workplace and workforce. Achieving success in this pursuit requires strategic, systematic, systemic - and - sustainable strategies based upon five core Pillars:

1. Senior Leadership
2. Operational Leadership
3. Self-Leadership
4. Recognition and Rewards
5. Quality Assurance

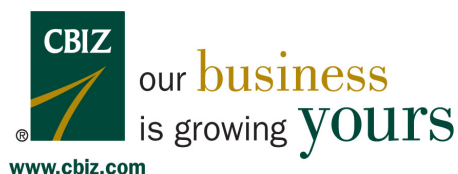
The 2013 Edington Next Practice Awards will be granted for each of the five core Pillars and bestowed on the finalist recipients at the Next Practice Leadership Symposium: Taking Wellness to a Higher Level to be held April 2 - 4, 2013 at the Cerner Vision Center, in Kansas City, Missouri.

Previous winners include IBM, Appriss, Cerner, Hasting Fiber Glass Products, McCarthy Building Company, and Carlson.

The online prequalification survey can be found **here** and will be available from November 1, 2012 through December 7, 2012. For more details on the application process, **click here**.

If you have questions, please contact Lori Frederick, **lfrederick@cbiz.com** or 913-234-1320.

CBIZ BENEFITS &
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2013 PENSION AND RETIREMENT PLAN LIMITS

The 2013 plan limits, applicable to defined benefit and defined contribution plans, have been **issued by the IRS** (highlights below; also see **IRS COLA table**).

	2012	2013
DEFINED BENEFIT PLAN ANNUAL LIMIT	\$200,000	\$205,000
DEFINED CONTRIBUTION PLAN ANNUAL LIMIT	\$50,000	\$51,000
ELECTIVE DEFERRAL LIMIT FOR PURPOSES OF CASH OR DEFERRED ARRANGEMENTS (401(K) PLANS) AND TAX-SHELTERED ANNUITIES (403(B) PLANS)	\$17,000	\$17,500
MAXIMUM DEFERRAL LIMIT FOR 457 PLANS	\$17,000	\$17,500
>AGE 50 CATCH-UP CONTRIBUTION LIMIT TO 401(K), 403(B) OR 457(B) PLANS	\$5,500	\$5,500
MAXIMUM DEFERRAL LIMIT FOR SIMPLE PANS	\$11,500	\$12,000
>AGE 50 CATCH-UP CONTRIBUTION LIMIT TO SIMPLE PLANS	\$2,500	\$2,500
MINIMUM OMPENSATION CONSIDERED IN DETERMINING ELIGIBILITY FOR A SEP	\$550	\$550
THRESHOLD FOR HIGHLY COMPENSATED EMPLOYEE	\$115,000	\$115,000
KEY EMPLOYEE COMPENSATION LIMIT FOR TOP HEAVY PLAN PURPOSES	\$165,000	\$165,000
ANNUAL COMPENSATION LIMIT	\$250,000	\$255,000

2013 SOCIAL SECURITY COST-OF-LIVING ADJUSTMENT

The 2013 cost of living adjustment to the Social Security wage base is increased from \$110,100 to \$113,700. The Medicare tax is generally assessed on all wages. The combined tax rate remains at 7.65% - the Social Security portion is 6.2% on wages up to the applicable maximum taxable amount; the Medicare portion is 1.45% on all wages.

With regard to the Medicare tax amount, as a reminder, the Affordable Care Act imposes an additional 0.9% Medicare tax increase on certain high earners beginning January 1, 2013 (see CBIZ Health Reform Bulletin, **Implementation Guidance on Medicare Tax**). This additional Medicare tax increase does not apply to the employer's share of the Medicare tax. Employers must begin withholding the additional Medicare tax only when the individual has reached the \$200,000 threshold.

Additional adjustments are included in the **Social Security Fact Sheet of 2013 Social Security Cost-of-Living Adjustments**.

2013 LIMITS APPLICABLE TO ARCHER MSAs AND LONG TERM CARE PREMIUM

In **Revenue Procedure 2012-41**, the IRS released 2013 tax adjustments relating to medical savings accounts and long term care premium. It should be noted that this pronouncement does not include 2013 tax adjustments applicable to Adoption Assistance Programs or Qualified Transportation Expenses. According to the IRS release, these items will be addressed in future guidance.

Please note that the 2013 annual limits applicable to health savings accounts were released earlier this year (see **Health Savings Accounts: 2013 Cost of Living Adjustments**, Benefit Beat, 5/14/12).

ARCHER MEDICAL SAVINGS ACCOUNTS

The Archer MSA pilot project ended on December 31, 2007; therefore, no new MSAs could be established after that date. For existing MSAs, the annual deductible limit of a HDHP and out-of-pocket expense limit in an Archer medical savings account for 2013 are:

	2012		2013	
	SINGLE	FAMILY	SINGLE	FAMILY
HDHP ANNUAL DEDUCTIBLE	Between \$2,100 and \$3,150	Between \$4,200 and \$6,300	Between \$2,150 and \$3,200	Between \$4,300 and \$6,450
OUT-OF-POCKET EXPENSES	\$4,200	\$7,650	\$4,300	\$7,850

LONG-TERM CARE PREMIUMS

The IRS limitations relating to eligible long-term care premiums includible as medical care, as defined by IRC §213(d).

AGE AT END OF TAX YEAR	2012 PREMIUM LIMIT	2013 PREMIUM LIMIT
<40	\$350	\$360
>40 but <50	\$660	\$680
>50 but <60	\$1,310	\$1,360
>60 but <70	\$3,500	\$3,640
>70	\$4,370	\$4,550

About the Author: Karen R. McLeese is Vice President of Employee Benefit Regulatory Affairs for CBIZ Benefits & Insurance Services, Inc., a division of CBIZ, Inc. She serves as in-house counsel, with particular emphasis on monitoring and interpreting state and federal employee benefits law. Ms. McLeese is based in the CBIZ Leawood, Kansas office.

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