



# 2006 BENEFIT BASICS

## Social Security

<b>INCOME REPLACEMENT</b>	<b>2005</b>	<b>2006</b>
FICA:		
■ Wage base	\$90,000	<b>\$94,200</b>
■ Tax rate	6.2%	<b>6.2%</b>
■ Maximum tax	\$5,580	<b>\$5,840</b>
Primary Insurance Amount (PIA):		
■ CPI adjustment	2.7%	<b>4.1%</b>
■ Maximum annual benefit	\$23,268	<b>\$24,636</b>
Unreduced Social Security retirement age (SSRA)	65, 6 months	<b>65, 8 months</b>
Annual retirement earnings limit:		
■ Years before SSRA	\$12,000	<b>\$12,480</b>
■ Year of SSRA	31,800	<b>33,240</b>
■ After SSRA	none	<b>none</b>
<b>MEDICARE</b>		
FICA:		
■ Wage base	no limit	<b>no limit</b>
■ Tax rate	1.45%	<b>1.45%</b>
■ Maximum tax	no limit	<b>no limit</b>
Deductibles:		
■ Part A	\$912	<b>\$952</b>
■ Part B	110	<b>124</b>
■ Part D (standard coverage)	N/A	<b>250</b>
Coinsurance:		
Part A		
■ Days 1-60	\$ 0	<b>\$ 0</b>
■ Days 61-90	228	<b>238</b>
■ Lifetime reserve days	456	<b>476</b>
Part B		
Monthly Part B premium	\$78.20	<b>\$88.50</b>
Part D		
National average monthly Part D premium	N/A	<b>\$32.20</b>

## Statutory Limits

	<b>2005</b>	<b>2006</b>
Maximum recognizable compensation	\$210,000	<b>\$220,000</b>
Highly compensated breakpoint	95,000	<b>100,000</b>
\$415 defined benefit limit	170,000	<b>175,000</b>
\$415 defined contribution limit	42,000	<b>44,000</b>
Limit on pretax elective deferrals:		
■ Under age 50	14,000	<b>15,000</b>
■ Age 50 and up	18,000	<b>20,000</b>