

2003 Annual Limits Relating to Financial Planning

The following chart is offered by Academic Staff members Sam Van Why, MA, and Michael Cates, MS, CFP®, ATP, to students and graduates providing financial advice to clients regarding retirement. It is a compilation of numerical limits that relate to financial planning. Many figures that planners use in their practices are indexed annually. This chart attempts to summarize, in one location, numerous limits for 2003.

Qualified Plans		Miscellaneous Items	
Elective deferrals 401(k), 403(b), 457, and SARSEPs	\$12,000	EE bonds for education—phaseout of exclusion:	
Catch-up contribution	\$2,000	AGI—filing single	
Defined Contribution (§ 415)	\$40,000	Minimum (\$40,000)	\$58,500
Defined benefit (§ 415)	\$160,000	Maximum (\$55,000)	\$73,500
SIMPLE Plan	\$8,000	AGI—filing joint:	
SIMPLE Catch-up contribution	\$1,000	Minimum (\$60,000)	\$87,750
Maximum includible compensation	\$200,000	Maximum (\$90,000)	\$117,750
Highly Compensated Employee	\$90,000	Coverdell Education Savings Account Phaseout	
Key Employee (top-heavy plan)	\$130,000	Single	\$95-110,000
SEP Participation Limit	\$450	Married-filing joint	\$190-220,000
IRA or Roth IRA Contribution Limit	\$3,000	PBGC Maximum Monthly Benefit	
IRA or Roth IRA Catch-up	\$500	\$3,664.77	
IRA Deduction Phaseout for Active Participants		Income Tax Exemptions and Deductions	
Single	\$40-50,000	Personal exemption	\$3,050
Married-Joint return ¹	\$60-70,000	Phaseout of personal exemption	
Married filing separate	\$0-10,000	Single	\$139,500
Roth IRA Phaseout		Joint	\$209,250
Single	\$95-110,000	Head of household	\$174,400
Married –Joint return	\$150-160,000	Married—separate	\$104,625
Medicare		Standard deduction	
Monthly Premium: Part A ² /Part B	\$316/\$58.70	Single	\$4,750
Part A:		Joint	\$7,950
First 60 days—patient pays a deductible	\$840	Head of household	\$7,000
Next 30 days—patient pays per day	\$210	Kiddie tax standard deduction	\$750
Next 60 days (lifetime reserve days)		Married—filing separate	\$3,975
patient pays per day	\$420	Elderly or blind additional deduction:	
Skilled Nursing benefits		Single	\$1,150
First 20 days—patient pays per day	-0-	Married	\$950
Next 80 days—patient pays per day	\$105	Phaseout of itemized deductions	\$139,500
Over 100 days—patient pays per day	All costs	Annual Gift Tax Exclusion	\$11,000
Part B:		Estate Tax Exclusion	\$1,000,000
Deductible	\$100	Generation Skipping	\$1,120,000
Coinsurance	20%	Self-Employed Health Insurance	100%
Social Security		Archer Medical Savings Account	
SS taxable wage base	\$87,000	Single High Deductible	\$1,700-2,500
SS tax rate—employee ³	7.65%	Family High Deductible	\$3,350-5,050
SS tax rate—self-employed	15.30%	Single Out-of-Pocket Maximum	\$3,350
Earnings limitation:		Family Out-of-Pocket Maximum	\$6,150
Below NRA (\$1 for \$2)	\$11,520	LTC Per diem Limit	
Persons reaching NRA (65) in 2003		\$220	
(Applies only to earnings for months prior to attaining NRA)	\$30,720	LTC Premium as Medical Expense Limitation	
Social Security cost-of-living adjustment	1.4%	Age 40 or less	\$250
Quarter of coverage	\$890	Age 41-50	\$470
Maximum benefit: worker retiring at age 65	\$1,741	Age 51-60	\$940
Estimated Average Monthly benefit	\$895	Age 61-70	\$2,510
		Age 71 or more	\$3,130

¹For married couples who file a joint return and only one is an active participant, the AGI phaseout is \$150,000-\$160,000.

²The Part A premium applies to persons who have fewer than 30 quarters of coverage under Social Security.

³The Social Security tax rate is comprised of two separate payroll taxes: 6.20% for Old-Age, Survivors, and Disability Insurance (OASDI), and 1.45% for Hospital Insurance (HI); NRA is 65 for persons born in 1937 and 65 + 2 months for persons born in 1938.