

# For your benefit



November 2, 2011

## ***2012 Plan Benefit Limitations.***

The IRS and Social Security Administration have released the 2012 benefit plan limitations. Here are some of the changes.

<b>Plans</b>	<b>2012</b>	<b>2011</b>
401(k), 403(b) Deferrals	\$17,000	\$16,500
401(k), 403(b) Catch Up	\$5,500 (no change from 2011)	\$5,500
Social Security Taxable Wage Base	\$110,100	\$106,800
Key Employee	\$165,000	\$160,000
Highly Compensated Employee	\$115,000	\$110,000
HSA Individual Contribution	\$3,100	\$3,050
HSA Family Contribution	\$6,250	\$6,150
Monthly Transit/Van Pooling	\$125	\$230
Monthly Qualified Parking	\$240	\$230
Monthly Maximum Social Security Benefit	\$2,513	\$2,366

## ***Great American Smokeout***

The American Cancer Society is marking the 36th Great American Smokeout on November 17<sup>th</sup> by encouraging smokers to use the date to make a plan to quit, or to plan in advance and quit smoking that day. By doing so, smokers will be taking an important step towards a healthier life – one that can lead to reducing cancer risk and could potentially reduce the cost of medical insurance. Literature (posters, flyers, etc) is available to help you help your employees. Some employers are promoting the Smokeout in conjunction with a smoke free campus and are considering tobacco differentials for their medical premiums. Contact your Account Manager at Proctor & Company for literature and further information.

## ***Medicare Part B Premium Changes***

As some of your employees reach retirement age or are looking for potential savings on their medical insurance premiums, they will be considering enrolling in Medicare. Medicare Part A, available at age 65, covers the basic costs for hospital care and is free for almost all people who have been working in the US (40 quarters is the requirement). Part B, also available at age 65, covers basic doctor care. Part B premiums have been \$96 a month for those who enrolled prior to 2011 or for those in 2011 who had the premium deducted from their Social Security benefit. It is \$115 for those who enrolled in 2011 and did not have it deducted from their Social Security benefit. The new monthly premium for Part B will be \$99.90 beginning in January of 2012. Please note this rate is for individuals with modified adjusted gross income (MAGI) of under \$85,000 or joint filers under \$170,000. Premiums are higher based on the bracket of MAGI.

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### ***Reminder of Table I Reporting***

Section 79 of the Internal Revenue Code (IRC) allows the value of the first \$50,000 of employer-paid group term life insurance coverage to be excluded from the gross income of employees. The value of employer-paid coverage in excess of \$50,000 is included in the gross income of employees. The taxable value of employer-paid group term life insurance is called "imputed income" because, even though the employees do not receive cash, they are taxed as if they had received cash in an amount equal to the taxable value of their coverage.

Generally, the imputed value of employer-paid group term life insurance is determined by multiplying the amount of coverage in excess of \$50,000 by an age-related valuation rate. Some employers add the imputed income to each payroll period. Others do this on a one time basis at the end of each calendar year.

Please contact Andy Mann [amann@proctorandcompany.com](mailto:amann@proctorandcompany.com) if you have questions or are in need of an Excel spreadsheet to calculate the imputed income to your employees.

### ***HR Essentials***

Proctor & Company provides our employer groups a free online website to find essential information easily by topic or document type. Easier than searching the web for a particular topic, this site allows you to select a topic link under an HR category and then click on "Fast Answers" or get detailed information.

Some of the areas of information are Benefits & Compensation; Compliance by law (COBRA, HIPAA, ERISA, FMLA, etc); Recruiting, Selection & Staffing; and many other areas that you will find very helpful as questions arise on a day to day basis.

Please contact [support@proctorandcompany.com](mailto:support@proctorandcompany.com) for the web link user ID and password.

**If you have further questions at this time, please feel free to contact Brian Donovan at  
[bdonovan@proctorandcompany.com](mailto:bdonovan@proctorandcompany.com)**

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