

Retirement plan and Social Security COLAs for 2008

Many of the figures that you need to know for your retirement and Social Security planning rise by schedules that have been introduced in previous years' tax legislation or through provisions for annual cost-of-living adjustments (COLAs).

Here's a rundown of key numbers that are in place for 2008.

Maximum retirement plan contribution limits

Maximum IRA/Roth IRA contributions \$5,000

Maximum IRA/Roth IRA contributions for those age 50 or older \$6,000

For contributions to a traditional IRA, the deduction phase-out range

for those covered by a retirement plan at work begins at:

\$159,000 if only one active participant spouse

\$85,000 if both spouses active participants

\$53,000 for singles and heads of households

401(k) contribution limit \$15,500

401(k) contribution limit for those age 50 or older \$20,500

Social Security

Tax rate for employees 7.65%

Tax rate for self-employed 15.30%

Maximum earnings taxable

Social Security wage base \$102,000

Medicare wage base no limit

Retirement earnings test exempt amounts

Under full retirement age \$13,560

(\$1 in benefits is withheld for every \$2 in earnings above the limit.)

For the year in which full retirement age is reached \$36,120

(\$1 in benefits is withheld for every \$3 in earnings above the limit,
but only for months prior to reaching full retirement age.)

After full retirement age is reached no limit

