

Retirement Contribution & Benefit Limits

For the Tax Year 2021

On October 26, 2020, the IRS announced cost of living adjustments changing dollar limitations for pension plans and other retirement-related items for the tax year 2021. Here are the highlights:

Plan Limits for Year:

	2021	2020	2019
401k, 403b, 457 Elective Deferrals	\$19,500	\$19,500	\$19,000
401k, 403b, 457 Catch-Up Contribution Limit (age 50 or over)	\$6,500	\$6,500	\$6,000
Annual Defined Contribution Plan Limit	\$58,000	\$57,000	\$56,000
Annual Compensation Limit	\$290,000	\$285,000	\$280,000
Highly Compensated Employees	\$130,000	\$130,000	\$125,000
Key Employee Officer in a Top-Heavy Plan	\$185,000	\$185,000	\$180,000
SIMPLE Employee Deferrals	\$13,500	\$13,500	\$13,000
SIMPLE Catch-Up Deferral	\$3,000	\$3,000	\$3,000
SEP Minimum Compensation	\$650	\$600	\$600
Traditional IRA Contribution Limit	\$6,000	\$6,000	\$6,000
Traditional IRA catch-up Contribution Limit (age 50 or over)	\$1,000	\$1,000	\$1,000
Social Security Wage Base	\$142,800	\$137,700	\$132,900

For full list of limitations for retirement-related items for tax year 2021, please visit [IRS.GOV](https://www.irs.gov).

Internal Revenue Service Notice 2020-79.

Please note, annual contribution rates are based on the IRS 2021 retirement plan limitations and are subject to change. This material was created for educational and informational purposes only and is not intended as ERISA, tax, legal or investment advice.