

**401k PLAN LIMITS FOR PLAN YEAR**

|                                   | <u>2021</u> | <u>2020</u> | <u>2019</u> |
|-----------------------------------|-------------|-------------|-------------|
| 401k Elective Deferrals           | \$ 19,500   | \$ 19,500   | \$ 19,000   |
| Annual Defined Contribution Limit | \$ 58,000   | \$ 57,000   | \$ 56,000   |
| Annual Compensation Limit         | \$290,000   | \$285,000   | \$280,000   |
| Catch-Up Contribution Limit       | \$ 6,500    | \$ 6,500    | \$ 6,000    |
| Highly Compensated Employees      | \$130,000   | \$130,000   | \$125,000   |

**NON 401K RELATED LIMITS**

|                               |           |           |           |
|-------------------------------|-----------|-----------|-----------|
| 403(b)/457 Elective Deferrals | \$ 19,500 | \$ 19,500 | \$ 19,000 |
| SIMPLE Employee Deferrals     | \$ 13,500 | \$ 13,500 | \$ 13,000 |
| SIMPLE Catch-Up Deferral      | \$ 3,000  | \$ 3,000  | \$ 3,000  |
| SEP Minimum Compensation      | \$ 600    | \$ 600    | \$ 600    |
| SEP Annual Compensation Limit | \$290,000 | \$285,000 | \$280,000 |
| Social Security Wage Base     | \$142,800 | \$137,700 | \$132,900 |

Highlights of limitations that **changed** from 2020 to 2021 include the following:

- o Effective January 1, 2021, the limitation on the annual benefit under a defined benefit plan remains unchanged at \$230,000. Participants who separated from service before January 1, 2021, the limitation is computed by multiplying the participant’s compensation limitation, as adjusted through 2020, by 1.0122.

The highlights of limitations that remain **unchanged** from 2020 include the following:

- o For an IRA contributor who is not covered by a workplace retirement plan and is married to someone who is covered, the deduction is phased out if the couple's income is between \$196,000 and \$206,000.
- o The AGI phase-out range for taxpayers making contributions to a Roth IRA is \$196,000 to \$206,000 for married couples filing jointly. For singles and heads of household, the income phase-out range is \$124,000 to \$139,000.
- o The AGI limit for the saver's credit (also known as the retirement savings contribution credit) for low- and moderate-income workers is \$65,000 for married couples filing jointly; \$48,750 for heads of household; and \$32,500 for married individuals filing separately and for singles.
- o The limit on annual contributions to an Individual Retirement Arrangement (IRA) remains unchanged at \$6,000. The additional catch-up contribution limit for individuals aged 50 and over is not subject to an annual cost-of-living adjustment and remains \$1,000

More Information can be found by clicking [here](#).