

2021 RETIREMENT PLAN LIMITS



Atlantic
Pension
Services

The Internal Revenue Service just released the cost-of-living adjustments for various retirement plan limitations that will take effect on January 1, 2021.

	For Calendar Year	
	2020	2021
Maximum Defined Benefit Plan Benefit (IRC §415(b)) <i>(applies to limitation years ending in indicated year)</i>	\$230,000	\$230,000 (NC)
Maximum Defined Contribution Annual Addition (IRC §415(c)) <i>(applies to limitation years ending in indicated year)</i>	\$57,000	\$58,000
Social Security Taxable Wage Base <i>(applies to calendar year)</i>	\$137,700	\$142,800
Salary Deferral Limit (IRC §402(g)) <i>(applies to calendar year)</i>	\$19,500	\$19,500 (NC)
Catch-up Limit for 401(k), 403(b), 457 plans <i>(applies to calendar year)</i>	\$6,500	\$6,500 (NC)
HCE Compensation <i>(applies to look back years in indicated year)</i>	\$130,000	\$130,000 (NC)
Maximum Compensation for Retirement Plan Purposes (IRC §401(a)(17)) <i>(applies to plan years beginning in indicated year)</i>	\$285,000	\$290,000
Key Employee: Officer <i>(applies to the determination date in indicated year)</i>	\$185,000	\$185,000 (NC)
457(b) Contribution Limit	\$19,500	\$19,500 (NC)
SIMPLE Salary Deferral Limit	\$13,500	\$13,500 (NC)
SIMPLE Catch-up Limit	\$3,000	\$3,000 (NC)
IRA Contribution Limit	\$6,000	\$6,000 (NC)
IRA Catch-up Limit	\$1,000	\$1,000 (NC)
SEP Threshold	\$600	\$650

(NC) = No Change from 2020