

RETIREMENT PLAN DOLLAR LIMITATION ON BENEFITS AND CONTRIBUTIONS

The IRS has announced the 2021 cost-of-living adjustments (COLAs) with respect to retirement plan limits. Certain limits are changed for 2021 since the increase in the cost-of-living index met the statutory thresholds that trigger their adjustment. However, others remain unchanged.

	2021	2020	2019
IRAs			
IRA Contribution Limit	6,000	6,000	6,000
IRA Catch-Up Contributions	1,000	1,000	1,000
SEP			
SEP Minimum Compensation	650	600	600
SEP Maximum Contribution	58,000	57,000	56,000
SEP Maximum Compensation	290,000	285,000	280,000
SIMPLE Plans			
SIMPLE Maximum Contributions	13,500	13,500	13,000
Catch-up Contributions	3,000	3,000	3,000
401(k), 403(b), Profit-Sharing Plans, etc.			
Annual Compensation	290,000	285,000	280,000
Elective Deferrals	19,500	19,500	19,000
Catch-up Contributions	6,500	6,500	6,000
Defined Contribution Limits	58,000	57,000	56,000
ESOP Limits			
For determining maximum account balance subject to the general 5-yr distribution period.	1,165,000	1,150,000	1,130,000
For determining length of the general 5-yr distribution period.	230,000	230,000	225,000
Other			
HCE Threshold	130,000	130,000	125,000
Defined Benefit Limits	230,000	230,000	225,000
Key Employee	185,000	185,000	180,000
457 Elective Deferrals	19,500	19,500	19,000
Control Employee (board member or officer)	115,000	115,000	110,000
Control Employee (compensation-based)	235,000	230,000	225,000
Social Security Taxable Wage Base	142,800	137,700	132,900

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