



Axia Advisory

Retirement Plan Limits for the Tax Year 2021

On October 26, 2020, the IRS announced cost-of-living adjustments affecting dollar limitations for pension plans and other retirement-related items for tax year 2021. While a few limits have increased, other important limits have stayed the same. Here are the highlights.

401(k) Plan Limits for Year	2021	2020	2019	2018	2017
401(k) Elective Deferrals	\$19,500	\$19,500	\$19,000	\$18,500	\$18,000
Catch-Up Contribution Limit	\$6,500	\$6,500	\$6,000	\$6,000	\$6,000
Annual Defined Contribution Limit	\$58,000	\$57,000	\$56,000	\$55,000	\$54,000
Annual Compensation Limit	\$290,000	\$285,000	\$280,000	\$275,000	\$270,000
Highly Compensated Employees	\$130,000	\$130,000	\$125,000	\$120,000	\$120,000
Non-401(k) Related Limits					
403(b)/457 Elective Deferrals	\$19,500	\$19,500	\$19,000	\$18,500	\$18,000
IRA Contribution Limit	\$6,000	\$6,000	\$6,000	\$5,500	\$5,500
IRA Catch-Up Contribution Limit	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
SIMPLE Employee Deferrals	\$13,500	\$13,500	\$13,000	\$12,500	\$12,500
SIMPLE Catch-Up Limit	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000
SEP Minimum Compensation	\$650	\$600	\$600	\$600	\$600
Heath Savings Accounts					
Individual Contribution Limit	\$3,600	\$3,550	\$3,500	\$3,450	\$3,400
Family Contribution Limit	\$7,200	\$7,100	\$7,000	\$6,900	\$6,750
Catch-Up Contribution Limit	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
