

Publications

Round Up of 2020 Benefit and Contribution Limits

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PUBLISHED

11/07/2019

SOURCE

Groom Publication

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The IRS recently announced (Notice 2019-59, Nov. 6, 2019) that most of the key pension limits will increase next year based on recent cumulative inflation. The elective deferral limit has increased again, and the catch-up limit increased, too, so persons 50 and over may make elective deferrals of up to \$26,000 next year.

The Social Security Administration and PBGC recently made similar announcements for the social security wage base, PBGC premiums, etc., for next year.

The chart below reflects the key limits, along with other frequently used benefit and compensation items, for 2020.

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	2019	2020
401(k), 403(b), 457(b) and SARSEP Elective Deferrals	\$19,000	\$19,500
Catch-Up Contributions to 401(k), 403(b) and Governmental 457 Plans	\$6,000	\$6,500
Elective Contributions to SIMPLE Plans	\$13,000	\$13,500
Catch-Up Contributions to SIMPLE Plans	\$3,000	\$3,000
IRA Contributions	\$6,000	\$6,000
Catch-Up IRA Contributions	\$1,000	\$1,000
Annual Limitation on Compensation	\$280,000	\$285,000
415 Limitation on DB Benefits	\$225,000	\$230,000
415 Limitation on DC Plan Contributions	\$56,000	\$57,000
Highly Compensated Employee Threshold	\$125,000	\$130,000
Key Employee Compensation Threshold	\$180,000	\$185,000
Social Security Wage Base	\$132,900	\$137,700
PBGC Flat-Rate Premium (Single Employer Plans)	80	83
PBGC Variable-Rate Premium (Single Employer Plans)	43/1,000 UVBs (\$541 cap)	45/1,000 UVBs (\$561 cap)

There also will be modest increases in various AGI phase-out ranges for IRA deductions, Roth IRA eligibility, and the savers' credit, for example.

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