

2020 IRS Limits on Retirement Plans

Highlights: The 401(k) deferral limit is increased to \$19,500. The FICA taxable wage base increased to \$137,700. The maximum plan compensation limit increased to \$285,000 and the maximum annual addition increased to \$57,000.

Indexed Plan Limits

	<i>2020</i>	<i>2019</i>
Deferral Limits		
401(k) Plan or SAR-SEP	\$ 19,500	\$ 19,000
403(b) Plan or 457 Plan	19,500	19,000
Catch-Up Contribution, 401(k)/403(b)/457	6,500	6,000
SIMPLE Plan	13,500	13,000
SIMPLE Plan Catch-Up Contribution	3,000	3,000
Individual Retirement Accounts (IRAs)		
Traditional, Roth, Spousal (earnings limits apply)	6,000	6,000
Catch-Up Contributions, IRA	1,000	1,000
Section 415 Limit		
Defined Contribution Plans	57,000	56,000
Defined Benefit Plans	230,000	225,000
Compensation Test		
Highly Compensated Employees	130,000	125,000
Key Employee-Top Heavy Plan	185,000	180,000
Includible Compensation		
Maximum Qualified Plan Compensation	285,000	280,000
SEP Compensation	285,000	280,000
SEP Earnings Threshold	600	600
Limited Governmental Plans (pre 7/1/93)	425,000	415,000
FICA Taxable Wage Base		
Social Security (Tax Rate 6.20%)	137,700	132,900
Medicare (Tax Rate 1.45%)	No limit	No limit

Earnings Ceiling for Social Security

	2020	2019
Below FRA*	\$18,240	\$17,640
Attainment of FRA* (prorated)	\$48,600	\$46,920
Above FRA*	Unlimited	Unlimited

* Full Retirement Age (FRA)
age 66 for those born in 1943-1954



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