

2021
Contribution & Benefit Limits
For 401(k) and other Qualified Plans

The Internal Revenue Service announced cost of living adjustments affecting dollar limitations for pension plans and other retirement-related items for tax year 2021. The IRS issued technical guidance detailing these items in Notice 2020-79.

Highlights of Changes for 2021

The maximum Annual Elective Deferral Limit remains the same at \$19,500

The Catch-up Contribution limit for individuals aged 50 and over remains the same at \$6,500.

The Annual Defined Contribution Limit has increased to \$58,000.

The Defined Benefit Plan Annual Limit remains the same at \$230,000.

Cost-of-Living Adjustments for Retirement Items

Code Section	2021	2020	2019
401(a)(17)/ 404(l) Annual Compensation	290,000	285,000	280,000
402(g)(1) Elective Deferrals	19,500	19,500	19,000
408(k)(2)(C) SEP Minimum Compensation	650	600	600
408(k)(3)(C) SEP Maximum Compensation	290,000	285,000	280,000
408(p)(2)(E) SIMPLE Maximum Contributions	13,500	13,500	13,000
409(o)(1)(C) ESOP Limits	1,165,000	1,150,000	1,130,000
	230,000	230,000	225,000
414(q)(1)(B) HCE threshold	130,000	130,000	125,000
414(v)(2)(B)(i) Catch-up Contribution	6,500	6,500	6,000
414(v)(2)(B)(ii) Catch-up Contribution	3,000	3,000	3,000
415(b)(1)(A) DB Limits	230,000	230,000	225,000
415(c)(1)(A) DC Limits	58,000	57,000	56,000
416(i)(1)(A)(i) Key EE	185,000	185,000	180,000
457(e)(15) Deferral Limit	19,500	19,500	19,000
1.61-21(f)(5)(i) Control EE	115,000	115,000	110,000
1.61-21(f)(5)(iii) Control EE	235,000	230,000	225,000
219(b)(5)(A) IRA Contribution Limit	6,000	6,000	6,000
219(b)(5)(B) IRA Catch-Up Contributions	1,000	1,000	1,000