

Retirement Plan Contributions

IRS guidelines detail the maximum income that an employee (including company owners) may contribute to a company sponsored retirement plan and also the maximum contributions an employee (including company owners) may receive from the business.

Contribution Highlights

- **\$58,000** The total employee + employer contribution that can be made to a 401(k), 403(b), most 457 plans and the federal government’s Thrift Savings Plan under Section 415(c)(1)(A).
- **\$290,000** The amount of your compensation that can be taken into account when determining employer and employee Contributions.
- **\$1,165,000** The maximum account balance allowed in an employee stock ownership plan (ESOP).
- **\$142,800** The limit on the amount of your earnings that is taxed by Social Security.

	2021	2020	2019
401(k), 403(b), Profit-Sharing Plans, etc.			
Annual Compensation for Contributions	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	1,165,000/230,000	1,150,000/230,000	1,130,000/225,000
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)	230,000	230,000	225,000
Taxable Wage Base	142,800	137,700	132,900
IRAs			
IRA Contribution Limit	\$6,000	\$6,000	\$6,000
IRA Catch-Up Contributions	1,000	1,000	1,000
Traditional IRA AGI Deduction Phase-out Starting at			
Joint Return	105,000	104,000	103,000
Single or Head of Household	66,000	65,000	64,000
SEP IRA			
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 IRA			
SIMPLE Maximum Contributions	13,500	13,500	13,000
Catch-up Contributions	3,000	3,000	3,000

Additional information can be found at <http://www.irs.gov/Retirement-Plans/COLA-Increases-for-Dollar-Limitations-on-Benefits-and-Contributions>