

401k and Retirement Plan Limits for the Tax Year 2020

On November 6, 2019, the Internal Revenue Service announced that employees in 401k plans will be able to contribute up to \$19,500 next year.

The IRS announced this and other changes in Notice 2019-59. This guidance provides cost of living adjustments affecting dollar limitations for pension plans and other retirement-related items for tax year 2020.

Chart of Select Limits

401k Plan Limits for Year

	2020	2019	2018	2017	2016	2015	2014
401k Elective Deferrals	\$19,500	\$19,000	\$18,500	\$18,000	\$18,000	\$18,000	\$17,500
Annual Defined Contribution Limit	\$57,000	\$56,000	\$55,000	\$54,000	\$53,000	\$53,000	\$52,000
Annual Compensation Limit	\$285,000	\$280,000	\$275,000	\$270,000	\$265,000	\$265,000	\$260,000
Catch-Up Contribution Limit	\$6,500	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$5,500
Highly Compensated Employees	\$130,000	\$125,000	\$120,000	\$120,000	\$120,000	\$120,000	\$115,000

Non-401k Related Limits

403b/457 Elective Deferrals	\$19,500	\$19,000	\$18,500	\$18,000	\$18,000	\$18,000	\$17,500
SIMPLE Employee Deferrals	\$13,500	\$13,000	\$12,500	\$12,500	\$12,500	\$12,500	\$12,000
SIMPLE Catch-Up Deferral	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$2,500
SEP Minimum Compensation	\$600	\$600	\$600	\$600	\$600	\$600	\$550
SEP Annual Compensation Limit	\$285,000	\$280,000	\$275,000	\$270,000	\$265,000	\$265,000	\$260,000
Social Security Wage Base	\$137,700	\$132,900	\$128,400	\$127,200	\$118,500	\$118,500	\$117,000