

# 2021 BENEFIT LIMITS ANNOUNCED

Hodgson Russ Employee Benefits Newsletter  
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The Internal Revenue Service has announced the cost of living adjusted dollar limits applicable to benefit plans for 2021 (see IRS Notice 2020-79). The key limits are listed below:

## Practices & Industries

Employee Benefits

	<b>2021 Limit</b>	<b>2020 Limit</b>
401(k)/403(b)/457 Plan Maximum Elective Deferral	\$19,500	\$19,500
401(k)/403(b)/457 Catch-Up	\$6,500	\$6,500
Defined Contribution Maximum Annual Addition	\$58,000	\$57,000
Defined Benefit Maximum Annual Pension	\$230,000	\$230,000
Qualified Plan Maximum Compensation Limit	\$290,000	\$285,000
Highly Compensated Employee	\$130,000	\$130,000
IRA Contribution Limit	\$6,000	\$6,000
IRA Catch-Up Contributions	\$1,000	\$1,000
SIMPLE Limit	\$13,500	\$13,500
SIMPLE Catch-Up	\$3,000	\$3,000

In addition, the Social Security taxable wage base will increase from \$137,700 for 2020 to \$142,800 for 2021.