

CONTRIBUTION & BENEFIT LIMITS 2021

For employees who participate in 401(k), 403(b), most 457 plans

	2020	2021	Change
401(k)/403(b)/457(b) Plan Elective Deferral Limit	\$19,500	\$19,500	n/a
401(k)/403(b)/457(b) Plan Catch-Up Limit	\$6,500	\$6,500	n/a
Taxable Wage Base	\$137,700	\$142,800	+ \$5,100
401(k)/403(b)/457(b) Plan Compensation Limit	\$285,000	\$290,000	+ \$5,000
Defined Contribution 415 Limit	\$57,000	\$58,000	+ \$1,000
Defined Benefit 415 Limit	\$230,000	\$230,000	n/a
Key Employee	\$185,000	\$185,000	n/a
Highly Compensated Employee	\$130,000	\$130,000	n/a

"Key employees" and "highly compensated employees" are terms used for testing purposes in the annual nondiscrimination testing of a retirement plan. The \$6,500 catch-up contribution limit for participants age 50 or older applies from the start of the year to those turning 50 at any time during the year. Source: IRS Notice 2020-79.

This information but is not intended as authoritative guidance or tax or legal advice. You should consult your attorney or tax advisor for guidance on your specific situation. In no way does advisor assure that, by using the information provided, plan sponsor will be in compliance with ERISA regulations.

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