



Pension Plan Limits for the Tax Year 2020

On November 6, 2019, the IRS announced cost of living adjustments affecting dollar limitations for pension plans and other retirement-related items for tax year 2020. The Internal Revenue Code requires that the Secretary of the Treasury adjust the limits annually.

Some highlights are:

- ✓ **The elective deferral (contribution) limit for employees who participate in 401(k), 403(b), most 457 plans, and the federal government's Thrift Savings Plan will increase to \$19,500.**
- ✓ **The catch-up contribution limit for those aged 50 and over will also increase to \$6,500.**

Chart of Selected Limits

401(k) Plan Limits for Year	2020	2019	2018	2017	2016	2015	2014
401(k) Elective Deferral	\$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 Employee	\$130,000	\$125,000	\$120,000	\$120,000	\$120,000	\$120,000	\$115,000
Non-401(k) related Limits							
403b/457 elective Deferral	\$19,500	\$19,000	\$18,500	\$18,000	\$18,000	\$18,000	\$17,500
Social Security Wage Base	\$137,700	\$132,900	\$128,400	\$127,200	\$118,500	\$118,500	\$117,000