

2021 Retirement Plan Limits

The Internal Revenue Service has announced cost-of-living adjustments affecting dollar limitations for pension plans and other retirement-related matters for tax year 2021. These limits are commonly used in the administration of retirement plans.

Category	2020	2021
Elective Deferral Limit for 401(k) and 403(b) Plans* <i>IRC 402(g)</i>	\$19,500	\$19,500
Annual Additions Limit for Defined Contribution Plans† <i>IRC 415(c)</i>	\$57,000	\$58,000
Limit on Annual Benefits for Defined Benefit Plans <i>IRC 415(b)</i>	\$230,000	\$230,000
Catch-Up Contribution Limit <i>IRC 414(v)</i>	\$6,500	\$6,500
Annual Compensation Limit <i>IRC 401(a)(17)</i>	\$285,000	\$290,000
Highly Compensated Employee Limit‡ <i>IRC 414(q)</i>	\$130,000	\$130,000
Key Employee Determination Limit <i>IRC 416(i)</i>	\$185,000	\$185,000
SIMPLE Retirement Plan Contribution Limit <i>IRC 408(p)</i>	\$13,500	\$13,500
Social Security Wage Base (Old-Age, Survivors)	\$137,700	\$142,800
Medicare Wage Base	No limit	No limit

*Includes pre-tax and Roth elective deferrals; excludes catch-up contributions.

†Includes employer contributions, employee contributions, and forfeitures; excludes catch-up contributions, rollovers, transfers, and investment earnings.

‡An employee is a Highly Compensated Employee if the employee's compensation for the lookback year is more than the 414(q) limit.

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