

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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