



2021 Limits for Benefit Plans

Insights

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The IRS has announced the 2021 dollar limits impacting retirement plans and IRAs. The agency also issued welfare plan limits, as well as ACA penalties. The chart below summarizes these 2021 figures along with the corresponding limits for both 2019 and 2020.

Retirement Plan Limits	2019	2020	2021
Elective Salary Deferrals (401(k) & 403(b) & 457)	\$19,000	\$19,500	\$19,500
SIMPLE Employee Deferrals	\$13,000	\$13,500	\$13,500
Catch-Up Contribution (age 50 or older)	\$6,000	\$6,500	\$6,500
SIMPLE Catch-Up Contributions	\$3,000	\$3,000	\$3,000
Maximum Compensation	\$280,000	\$285,000	\$290,000
Maximum Benefit for Defined Benefit Plan	\$225,000	\$230,000	\$230,000
Maximum Annual Addition for Defined Contribution Plan	\$56,000	\$57,000	\$58,000
Pay Threshold to Determine HCE	\$125,000	\$130,000	\$130,000
Officer Pay Threshold To Determine Key Employee	\$180,000	\$185,000	\$185,000
Social Security Taxable Wage Base (OASDI)	\$132,900	\$137,700	\$142,800
SEP - Minimum Compensation	\$600	\$600	\$650
ESOP – Determining the Length of the General Five-Year Distribution Period	\$225,000	\$230,000	\$230,000
ESOP – Maximum Account Balance subject to Five-Year Distribution Period	\$1,130,000	\$1,150,000	\$1,165,000

Traditional and Roth IRA Limits	2019	2020	2021
Contribution	\$6,000	\$6,000	\$6,000
Catch-Up	\$1,000	\$1,000	\$1,000
Deductible IRA income limit, single & also active participant in workplace retirement plan	\$64,000 - \$74,000	\$65,000 - \$75,000	\$66,000 - \$76,000
Deductible IRA income limit, married filing jointly & also active participant in workplace retirement plan	\$103,000 - \$123,000	\$104,000 - \$124,000	\$105,000 - \$125,000
Deductible IRA income limit, married filing jointly with a spouse	\$193,000-	\$196,000-	\$198,000-

Deductible IRA income limit, married filing jointly with a spouse	\$175,000	\$175,000	\$175,000
that is an active participant in workplace retirement plan	\$203,000	\$206,000	\$208,000
Roth IRA income limit, single	\$122,000-	\$124,000-	\$125,000-
	\$137,000	\$139,000	\$140,000
Roth IRA income limit, married filing jointly	\$193,000 -	\$196,000-	\$198,000-
	\$203,000	\$206,000	\$208,000

Health Plan Limits	2019	2020	2021
High Deductible Health Plan – IRS limits self/family			
-annual deductible –minimum	\$1,350/\$2,700	\$1,400/\$2,800	\$1,400/\$2,800
-out of pocket expenses (HSA) – maximum	\$6,750/\$13,500	\$6,900/\$13,800	\$7,000/\$14,000
HSA Contribution limit – individual/family	\$3,500/\$7,000	\$3,550/\$7,100	\$3,600/\$7,200
HSA Contribution catch-up	\$1,000	\$1,000	\$1,000
FSA (flexible spending account – health)	\$2,700	\$2,750	\$2,750
FSA (dependent care account)	\$5,000	\$5,000	\$5,000
Qualified Transportation Fringe Benefit (Transit pass, van pool, & qualified parking)	\$265	\$270	\$270
Out of pocket expenses (ACA) -PHSA §2707(b) maximum (in-network essential health benefits for non-grandfathered plans)	\$7,900	\$8,150	\$8,550
- Self Only	\$7,900	\$8,150	\$8,550
- Embedded Individual Max within Family Coverage	\$15,800	\$16,300	\$17,100
- Family			
ACA affordability safe harbor	9.86%	9.78%	9.83%
ACA Penalties			
- No Offer of Coverage	\$2,500	\$2,570	\$2,700
- Coverage Offer Lacks Minimum Value or Affordability	\$3,750	\$3,860	\$4,060

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