

2020 BENEFIT LIMITS ANNOUNCED

Hodgson Russ Employee Benefits Newsletter
December 3, 2019

The Internal Revenue Service has announced the cost of living adjustments dollar limits applicable to benefit plans (see IRS Notice 2019-59). The key limits are listed below:

2019 Limit

2020 Limit

401(k)/403(b)/457 Plan Maximum Elective Deferral

\$19,000

\$19,500

401(k)/403(b)/457 Catch-Up

\$6,000

\$6,500

Defined Contribution Maximum Annual Addition

\$56,000

\$57,000

Defined Benefit Maximum Annual Pension

\$225,000

\$230,000

Qualified Plan Maximum Compensation Limit

\$280,000

\$285,000

Highly Compensated Employee

\$125,000

\$130,000

Attorneys

Peter Bradley

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Practices & Industries

Employee Benefits

2020 BENEFIT LIMITS ANNOUNCED

IRA Limit

\$6,000

\$6,000

IRA Catch-Up

\$1,000

\$1,000

SIMPLE Limit

\$13,000

\$13,500

SIMPLE Catch-Up

\$3,000

\$3,000

In addition, the Social Security wage base for 2020 will increase from \$132,900 for 2019 to \$137,700.

