



2021 PENSION LIMITS

Each year, the IRS sets limits for pension plans. These limits are reviewed annually and adjusted for inflation. The following are some important limits in effect for 2020:

- Maximum compensation for plan purposes is \$290,000
- Maximum monthly benefit for defined benefit plans ages 62 to 65 is the lesser of 100% of compensation or \$19,166.67 with an annual benefit \$230,000
- Highly Compensated Employee compensation \$130,000+
- Maximum Defined Contribution / Profit Sharing Contribution \$58,000
- Maximum SEP Contribution \$58,000
- Maximum 401(k) Contribution \$19,500. Catch-up Contribution for age 50 and over \$6,500
- Maximum SIMPLE Contribution \$13,500