



hooker & holcombe

2020 Retirement Plan Limits

The Internal Revenue Service has published the cost of living adjustments (COLA) applicable to dollar limitations for employer-sponsored retirement and welfare plans, indicating adjustments for the 2020 tax year.

Contribution and benefit limits effective January 1, 2020 are as follows:

	2020	2019	2018	2017
Defined Benefit maximum	\$230,000	\$225,000	\$220,000	\$215,000
Defined Contribution maximum	\$57,000	\$56,000	\$55,000	\$54,000
Maximum employee pre-tax contribution (pre-tax plus Roth combined)				
401(k), 403(b) and most 457 plans	\$19,500	\$19,000	\$18,500	\$18,000
Simple 401(k)	\$13,500	\$13,000	\$12,500	\$12,500
Maximum employee catch-up contribution (pre-tax plus Roth combined)				
401(k), 403(b) and most 457 plans	\$6,500	\$6,000	\$6,000	\$6,000
Simple 401(k)	\$3,000	\$3,000	\$3,000	\$3,000
Compensation cap	\$285,000	\$280,000	\$275,000	\$270,000
Highly compensated threshold	\$130,000	\$125,000	\$120,000	\$120,000
Key employee threshold	\$185,000	\$180,000	\$175,000	\$175,000
	2020	2019	2018	2017
Old age & disability	\$137,700	\$132,900	\$128,400	\$127,200
Medicare	No Max.	No Max.	No Max.	No Max.

Plan sponsors should use this information to update payroll and plan administration systems. Please contact your H&H consultant with questions or to learn more about how these updates apply to your plans.