

## IRS and PBGC Benefit Plan Limits for 2020

Item	2020	2019	2018	2017
Qualified Plans Compensation Limit [§401(a)(17), §404(l), §408(k)(3)(C), & §408(k)(6)(D)(ii)]	\$ 285,000	\$ 280,000	\$ 275,000	\$ 270,000
Defined Benefit Plan Dollar Limit [§415(b)(1)(A)]	\$ 230,000	\$ 225,000	\$ 220,000	\$ 215,000
Defined Contribution Plan Annual Additions Dollar Limit [§415(c)(1)(A)]	\$ 57,000	\$ 56,000	\$ 55,000	\$ 54,000
401(k) Elective Deferral & 403(b) Salary Reduction Limits [§402(g)(1)], and 457 Plan Deferral Limit [§457(e)(15)]	\$ 19,500	\$ 19,000	\$ 18,500	\$ 18,000
Catch-up (age 50 or older) Contribution Limit for 401(k), 403(b), 457, and SARSEP Plans [§414(v)(2)(B)(i)]	\$ 6,500	\$ 6,000	\$ 6,000	\$ 6,000
Elective Contributions to SIMPLE Plans [§408(p)(2)(E)]	\$ 13,500	\$ 13,000	\$ 12,500	\$ 12,500
Catch-up (age 50 or older) Contribution Limit for SIMPLE Plans [§414(v)(2)(B)(ii)]	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000
IRA Contribution Limit [§219(b)(5)(A)]	\$ 6,000	\$ 6,000	\$ 5,500	\$ 5,500
Catch-up (age 50 or older) Contribution Limit for IRAs [§219(b)(5)(B)]	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000
Highly Compensated Employee Pay Threshold [§414(q)(1)(B)]	\$ 130,000	\$ 125,000	\$ 120,000	\$ 120,000
SEP Compensation Amount [§408(k)(2)(C)]	\$ 600	\$ 600	\$ 600	\$ 600
Compensation Limit – Certain Government Plans [§401(a)(17)]	\$ 425,000	\$ 415,000	\$ 405,000	\$ 400,000
Tax Credit Employee Stock Ownership Plan Limits [§409(o)(1)(C)(ii)]				
	- 5-year maximum balance	\$ 1,150,000	\$ 1,130,000	\$ 1,105,000
	- 1-year extension	230,000	225,000	220,000
Health Savings Accounts [§223]				
- HDHP minimum annual deductible (self/family)	\$ 1,400/2,800	\$ 1,350/2,700	\$ 1,350/2,700	\$ 1,300/2,600
- HDHP maximum out-of-pocket limit (self/family)	6,900/13,800	6,750/13,500	6,650/13,300	6,550/13,100
- Maximum HSA contribution limit (self/family)	3,550/7,100	3,500/7,000	3,450/6,900	3,400/6,750
- Catch-up (age 55 or older) contribution limit	1,000	1,000	1,000	1,000
Qualified Transportation Fringe Benefit (monthly) [§132(f)(2)]				
- Parking	\$ 270	\$ 265	\$ 260	\$ 255
- Transit pass/vanpooling	270	265	260	255
PBGC				
- Single-employer-plan maximum annual guaranteed life annuity at age 65	\$ 69,750.00	\$ 67,295.40	\$ 65,045.40	\$ 64,431.84
- Per-participant rate for flat-rate premium	83	80	74	69
- Variable-rate premium percent (multiplied by plan's unfunded PBGC liability)	4.5%	4.3%	3.8%	3.4%
- Variable-rate premium per-participant cap	561	541	523	517

## Social Security & Medicare Information for 2020

Item	2020	2019	2018	2017
OASDI Wage Base [6.2% payroll tax rate (FICA)]	\$ 137,700	\$ 132,900	\$ 128,400	\$ 127,200
HI Tax Point for Single Taxpayers [See <sup>(1)</sup> for payroll tax rates and married tax points]	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000
Average Annual Wage for 2 <sup>nd</sup> Prior Year	\$ 52,145.80	\$ 50,321.89	\$ 48,642.15	\$ 48,098.63
Benefit Payment Cost-of-Living Adjustment	1.6%	2.8%	2.0%	0.3%
Maximum Annual Benefit at Full Retirement Age ("FRA") <sup>(2)</sup>	\$ 36,132	\$ 34,332	\$ 33,456	\$ 32,244
Retirement Earnings Test – Exempt Amounts <sup>(3)</sup>				
– Before FRA	\$ 18,240	\$ 17,640	\$ 17,040	\$ 16,920
– Year of FRA	48,600	46,920	45,360	44,880
Wages Needed for One Quarter of Coverage	\$ 1,410	\$ 1,360	\$ 1,320	\$ 1,300
PIA Formula				
– 1 <sup>st</sup> bend point	\$ 960	\$ 926	\$ 895	\$ 885
– 2 <sup>nd</sup> bend point	5,785	5,583	5,397	5,336
Maximum Family Benefit Formula				
– 1 <sup>st</sup> bend point	\$ 1,226	\$ 1,184	\$ 1,144	\$ 1,131
– 2 <sup>nd</sup> bend point	1,770	1,708	1,651	1,633
– 3 <sup>rd</sup> bend point	2,309	2,228	2,154	2,130
Medicare				
– Part A deductible (per benefit period)	\$ 1,408	\$ 1,364	\$ 1,340	\$ 1,316
– Part B annual deductible	198	185	183	183
– Part B / D monthly premiums, if (AGI + TEI) <sup>(4)</sup> is:				
• \$87,000 or less (individual) or \$174,000 or less (joint return) <sup>(5)</sup>	144.60 / 0.00	135.50 / 0.00	134.00 / 0.00	134.00 / 0.00
• \$87,001 to \$109,000 (individual) or \$174,001 to \$218,000 (joint return) <sup>(5)</sup>	202.40 / 12.20	189.60 / 12.40	187.50 / 13.00	187.50 / 13.30
• \$109,001 to \$136,000 (individual) or \$218,001 to \$272,000 (joint return) <sup>(5)</sup>	289.20 / 31.50	270.90 / 31.90	267.90 / 33.60	267.90 / 34.20
• \$136,001 to \$163,000 (individual) or \$272,001 to \$326,000 (joint return) <sup>(5)</sup>	376.00 / 50.70	352.20 / 51.40	348.30 / 54.20	348.30 / 55.20
• \$163,001 to \$499,999 (individual) or \$326,001 to \$749,999 (joint return) <sup>(5)</sup>	462.70 / 70.00	433.40 / 70.90	428.60 / 74.80	428.60 / 76.20
• \$500,000 or above (individual) or \$750,000 or above (joint return) <sup>(5)</sup>	491.60 / 76.40	460.50 / 77.40	-/-	-/-

- Whereas the HI FICA employer payroll tax rate is 1.45% on all wages, the employee rate is 1.45% up to the tax point and 2.35% on wages over the tax point. Tax point is \$250,000 for joint returns and \$125,000 for married filing separately.
- Full Retirement Age was 65 for people born before 1938, and is gradually increasing for people born in 1938 and later years – to age 67 for people born in 1960 or later (see chart on right). The dollar amounts shown assume no earnings during the year the individual attains FRA.
- Prior to the year the individual attains FRA, Social Security benefits are reduced \$1 for every \$2 in earnings above the limit. In the year the individual attains FRA, benefits are reduced \$1 for every \$3 of earnings in excess of the limit, but only pre-FRA-month earnings are considered and only pre-FRA-month benefits are reduced. (In the first year that there is a month in which the individual does not earn more than 1/12 of the applicable annual limit, an alternative monthly-limit-based test is used if it results in greater benefits paid.)
- Adjusted gross income plus tax-exempt interest, generally from 2<sup>nd</sup> prior year. For example, 2020 premiums are based on 2018 AGI + TEI. Part D amounts shown are income-related adjustments payable to Medicare, over and above the plan premium.
- The breakpoints shown for these rows apply for 2020 premiums only; breakpoints for prior years were different.

Year of Birth	Full Retirement Age
<b>Before 1943</b>	<b>&lt; 66</b>
<b>1943-54</b>	<b>66</b>
1955	66 and 2 months
1956	66 and 4 months
1957	66 and 6 months
1958	66 and 8 months
1959	66 and 10 months
<b>1960 and Later</b>	<b>67</b>