

IRS and PBGC Benefit Plan Limits for 2021

Item	2021	2020	2019	2018
Qualified Plans Compensation Limit [§401(a)(17), §404(l), §408(k)(3)(C), & §408(k)(6)(D)(ii)]	\$ 290,000	\$ 285,000	\$ 280,000	\$ 275,000
Defined Benefit Plan Dollar Limit [§415(b)(1)(A)]	\$ 230,000	\$ 230,000	\$ 225,000	\$ 220,000
Defined Contribution Plan Annual Additions Dollar Limit [§415(c)(1)(A)]	\$ 58,000	\$ 57,000	\$ 56,000	\$ 55,000
401(k) Elective Deferral & 403(b) Salary Reduction Limits [§402(g)(1)], and 457 Plan Deferral Limit [§457(e)(15)]	\$ 19,500	\$ 19,500	\$ 19,000	\$ 18,500
Catch-up (age 50 or older) Contribution Limit for 401(k), 403(b), 457, and SARSEP Plans [§414(v)(2)(B)(i)]	\$ 6,500	\$ 6,500	\$ 6,000	\$ 6,000
Elective Contributions to SIMPLE Plans [§408(p)(2)(E)]	\$ 13,500	\$ 13,500	\$ 13,000	\$ 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	\$ 6,000	\$ 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	\$ 130,000	\$ 125,000	\$ 120,000
SEP Compensation Amount [§408(k)(2)(C)]	\$ 650	\$ 600	\$ 600	\$ 600
Compensation Limit – Certain Government Plans [§401(a)(17)]	\$ 430,000	\$ 425,000	\$ 415,000	\$ 405,000
Tax Credit Employee Stock Ownership Plan Limits [§409(o)(1)(C)(ii)]				
	– 5-year maximum balance	\$ 1,165,000	\$ 1,150,000	\$ 1,130,000
	– 1-year extension	230,000	230,000	225,000
Health Savings Accounts [§223]				
– HDHP minimum annual deductible (self/family)	\$ 1,400/2,800	\$ 1,400/2,800	\$ 1,350/2,700	\$ 1,350/2,700
– HDHP maximum out-of-pocket limit (self/family)	7,000/14,000	6,900/13,800	6,750/13,500	6,650/13,300
– Maximum HSA contribution limit (self/family)	3,600/7,200	3,550/7,100	3,500/7,000	3,450/6,900
– 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	\$ 270	\$ 265	\$ 260
– Transit pass/vanpooling	270	270	265	260
PBGC				
– Single-employer-plan maximum annual guaranteed life annuity at age 65	\$ 72,409.08	\$ 69,750.00	\$ 67,295.40	\$ 65,045.40
– Per-participant rate for flat-rate premium	86	83	80	74
– Variable-rate premium percent (multiplied by plan's unfunded PBGC liability)	4.6%	4.5%	4.3%	3.8%
– Variable-rate premium per-participant cap	582	561	541	523

Social Security & Medicare Information for 2021

Item	2021	2020	2019	2018
OASDI Wage Base [6.2% payroll tax rate (FICA)]	\$ 142,800	\$ 137,700	\$ 132,900	\$ 128,400
HI Tax Point for Single Taxpayers [See ⁽¹⁾ for payroll tax rates and married tax points]	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000
Average Annual Wage for 2 nd Prior Year	\$ 54,099.99	\$ 52,145.80	\$ 50,321.89	\$ 48,642.15
Benefit Payment Cost-of-Living Adjustment	1.3%	1.6%	2.8%	2.0%
Maximum Annual Benefit at Full Retirement Age ("FRA") ⁽²⁾	\$ 37,356	\$ 36,132	\$ 34,332	\$ 33,456
Retirement Earnings Test – Exempt Amounts ⁽³⁾				
– Before FRA	\$ 18,960	\$ 18,240	\$ 17,640	\$ 17,040
– Year of FRA	50,520	48,600	46,920	45,360
Wages Needed for One Quarter of Coverage	\$ 1,470	\$ 1,410	\$ 1,360	\$ 1,320
PIA Formula				
– 1 st bend point	\$ 996	\$ 960	\$ 926	\$ 895
– 2 nd bend point	6,002	5,785	5,583	5,397
Maximum Family Benefit Formula				
– 1 st bend point	\$ 1,272	\$ 1,226	\$ 1,184	\$ 1,144
– 2 nd bend point	1,837	1,770	1,708	1,651
– 3 rd bend point	2,395	2,309	2,228	2,154
Medicare				
– Part A deductible (per benefit period)	\$ 1,484	\$ 1,408	\$ 1,364	\$ 1,340
– Part B annual deductible	203	198	185	183
– Part B / D monthly premiums, if (AGI + TEI) ⁽⁴⁾ is:				
• \$88,000 or less (individual) or \$176,000 or less (joint return) ⁽⁵⁾	148.50 / 0.00	144.60 / 0.00	135.50 / 0.00	134.00 / 0.00
• \$88,001 to \$111,000 (individual) or \$176,001 to \$222,000 (joint return) ⁽⁵⁾	207.90 / 12.30	202.40 / 12.20	189.60 / 12.40	187.50 / 13.00
• \$111,001 to \$138,000 (individual) or \$222,001 to \$276,000 (joint return) ⁽⁵⁾	297.00 / 31.80	289.20 / 31.50	270.90 / 31.90	267.90 / 33.60
• \$138,001 to \$165,000 (individual) or \$276,001 to \$330,000 (joint return) ⁽⁵⁾	386.10 / 51.20	376.00 / 50.70	352.20 / 51.40	348.30 / 54.20
• \$165,001 to \$499,999 (individual) or \$330,001 to \$749,999 (joint return) ⁽⁵⁾	475.20 / 70.70	462.70 / 70.00	433.40 / 70.90	428.60 / 74.80
• \$500,000 or above (individual) or \$750,000 or above (joint return) ⁽⁵⁾	504.90 / 77.10	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 2nd prior year. For example, 2021 premiums are based on 2019 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 2021 premiums only; breakpoints for prior years were different.

Year of Birth	Full Retirement Age
Before 1943	< 66
1943-54	66
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
1960 and Later	67