

2020 Annual Retirement Planning Limits

Retirement Limits	2019	2020
Covered compensation limit	\$280,000	\$285,000
Defined benefit maximum limit	\$225,000	\$230,000
Defined contribution plan maximum limit	\$56,000	\$57,000
Salary deferral limit [401(k), 457(b), 403(b)]	\$19,000	\$19,500
Catch-up contribution limit (Age > 50)	\$6,000	\$6,500
Highly compensated employee compensation limit	\$125,000	\$130,000
Key employee compensation limit	\$180,000	\$185,000
SEP maximum contribution limit	\$56,000	\$57,000
SEP earnings limit	\$600	\$600
SIMPLE salary deferral limit	\$13,000	\$13,500
SIMPLE catch up contribution limit (Age > 50)	\$3,000	\$3,000
IRA contribution limit	\$6,000	\$6,000
IRA catch-up contribution (Age > 50)	\$1,000	\$1,000
Traditional IRA Deduction Phaseouts		
–MFJ - one spouse is an active participant	\$193,000 to \$203,000	\$196,000 to \$206,000
–MFJ - both taxpayers are active participants	\$103,000 to \$123,000	\$104,000 to \$124,000
–Single - taxpayer is an active participant	\$64,000 to \$74,000	\$65,000 to \$75,000
–Married filing separately	\$0 to \$10,000	\$0 to \$10,000
Roth IRA Contribution Phaseouts		
–MFJ	\$193,000 to \$203,000	\$196,000 to \$206,000
–Single	\$122,000 to \$137,000	\$124,000 to \$139,000
–MFS	\$0 to \$10,000	\$0 to \$10,000

Saver's Credit – AGI Limit	2019	2020
MFJ	\$64,000	\$65,000
Heads of household	\$48,000	\$48,750
MFS and single	\$32,000	\$32,500

Social Security Limits	2019	2020
Maximum taxable earnings	\$132,900	\$137,700
One quarter of coverage (max 4/year)	\$1,360	\$1,410
Retirement Earnings Limits		
–Before full retirement age (\$1 for \$2)	\$17,640	\$18,240
–Year of full retirement age (\$1 for \$3)	\$46,920	\$48,600
Social Security Disability Thresholds		
–Max earnings – blind (monthly)	\$2,040	\$2,110
–Max earnings – non blind (monthly)	\$1,220	\$1,260
Maximum monthly SS benefit	\$2,861	\$3,011
PBGC maximum – monthly @ age 65	\$5,607.95	\$5,812.50

Fringe Benefit Limits	2019	2020
Qualified parking exclusion*	\$265	\$270
Transit pass exclusion*	\$265	\$270
Adoption assistance	\$14,080	\$14,300
Adoption assistance AGI phaseout	\$211,160 to \$251,160	\$214,520 to \$254,520

Notes

- ✓ * \$270 is the indexed amount for 2020. However, as a result of the 2017 TCJA, qualified transportation fringe benefits are no longer deductible after 2017 - includes parking and transit passes.
- ✓ Max contribution to a defined contribution plan increases to \$63,500 for 2020 (up from \$62,000 for 2019), which is the sum of \$57,000 plus the catch-up of \$6,500.
- ✓ The maximum contribution to a SIMPLE in 2020 is \$30,000 (up from \$29,000 in 2019). The full match of \$13,500 would require compensation of at least \$450,000.

