

# 2019/2020 dollar limitations for retirement plans



Wealth  
Management

Some new limitations will apply to retirement plans and other benefit plans in 2020 as a result of cost-of-living adjustments made by the IRS and the Social Security Administration. The limits for 2020, as well as the 2019 limits, are as follows:

Account Types		2019 Limit	2020 Limit
<b>IRA</b>	Traditional and Roth IRA contribution limit	\$6,000	\$6,000
	Catch-up limit for individuals age 50 and older	\$1,000	\$1,000
<b>SIMPLE IRA</b>	Elective deferral limit	\$13,000	\$13,500
	Catch-up limit for individuals age 50 and older	\$3,000	\$3,000
	Maximum employer match (\$1 for \$1 match on the first 3% of employee compensation deferred).	\$13,000	\$13,500
	Maximum employer non-elective contribution (2% of employee's compensation, up to \$280k in 2019 and \$285k in 2020)	\$5,600	\$5,700
	Catch-up deferral is also matched by employer if individual is age 50 or older.	\$3,000	\$3,000
<b>SEP IRA</b>	Maximum SEP contribution	\$56,000	\$57,000
	SEP compensation exclusion	\$600	\$600
<b>401(k), SARSEP, 403(b) and Governmental 457(b)</b>	Elective deferral limit	\$19,000	\$19,500
	Catch-up limit for individuals age 50 and older	\$6,000	\$6,500
<b>Profit Sharing, 401(k) and Money Purchase Pension</b>	Defined contribution limit (415(c) limit)	\$56,000	\$57,000
	Employee annual compensation limit	\$280,000	\$285,000
<b>401(k), SARSEP, 403(b) and Governmental 457(b)</b>	Highly compensated employee limit (no requirement for 5% owner)	\$125,000	\$130,000
	Top-heavy plan key employee compensation limit	\$180,000	\$185,000
<b>Defined Benefit</b>	Maximum annual benefit at retirement	\$225,000	\$230,000

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<b>Modified Adjusted Gross Income (MAGI) phase-out ranges for traditional IRA deduction when taxpayer is covered by a retirement plan at work</b>			
<b>Filing status</b>		<b>2019</b>	<b>2020</b>
<b>Single or head of household</b>		\$64,000–\$74,000	\$65,000–\$75,000
<b>Married filing jointly</b>		\$103,000–\$123,000	\$104,000–\$124,000
<b>Married filing jointly for non-covered spouse with a spouse who is an active participant</b>		\$193,000–\$203,000	\$196,000–\$206,000
<b>MAGI phase-out ranges for Roth IRA annual contributions</b>			
<b>Filing status</b>		<b>2019</b>	<b>2020</b>
<b>Single or head of household</b>		\$122,000–\$137,000	\$124,000–\$139,000
<b>Married filing jointly</b>		\$193,000–\$203,000	\$196,000–\$206,000
<b>Social Security</b>			
		<b>2019</b>	<b>2020</b>
<b>Social security taxable wage base</b>		\$132,900	\$137,700
<b>Maximum earnings for individuals under normal retirement age before Social Security benefits are reduced. One dollar in benefits will be withheld for every \$2 in earnings above the limit.</b>		\$17,640 (\$1,470/mo)	\$18,240 (\$1,520/mo)
<b>Maximum Social Security benefit at social security full retirement age</b>		\$2,861	\$3,011
<b>529/Gift Tax Exclusion</b>			
<b>Filing status</b>		<b>2019</b>	<b>2020</b>
<b>Single or head of household</b>		\$15,000	\$15,000
<b>Married filing jointly</b>		\$30,000	\$30,000
<b>Health Savings Accounts (HSAs)</b>			
		<b>2019</b>	<b>2020</b>
<b>Maximum contribution limit</b>	Single	\$3,500	\$3,550
	Family	\$7,000	\$7,100
	Catch-Up (age 55 by the end of the year)	\$1,000	\$1,000
<b>Minimum annual deductible for High Deductible Health Plan (HDHP)</b>	Single	\$1,350	\$1,400
	Family	\$2,700	\$2,800
<b>HDHP maximum out-of-pocket expenses</b>	Single	\$6,750	\$6,900
	Family	\$13,500	\$13,800

If you have any questions about your retirement plan or these dollar limits, please contact your financial advisor.