



FINANCIAL PERSPECTIVES



2021 Retirement Plan Contribution Limits

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2021 Retirement Plan Contribution Limits

Phase-Out Ranges for IRA Deductibility

This chart is only for those who are covered by a company retirement plan.

Year	Married/Joint	Single or Head of Household
2019	103,000 - 123,000	64,000 - 74,000
2020	104,000 - 124,000	65,000 - 75,000
2021	105,000 - 125,000	66,000 - 76,000

If not covered by a company plan but the spouse is, the phase-out range for 2020 is \$196,000 - \$206,000 and for 2021 is \$198,000 - \$208,000. If filing married-separate, the phase-out range is \$0 - \$10,000.

IRA and Roth IRA Contribution Limits

Year	Maximum Contribution	Catch-Up Contribution*	Total Contribution w/Catch-Up
2019	6,000	1,000	7,000
2020	6,000	1,000	7,000
2021	6,000	1,000	7,000

A 2020 IRA or Roth IRA contribution can be made up to the tax filing due date, April 15, 2021. There is no extension beyond that date, regardless of whether an extension is filed for the tax return.

*Those who are 50 or older by year end can contribute an additional \$1,000.

Roth IRA Phase-Out Limits for Contributions

Year	Married/Joint	Single or Head of Household
2019	193,000 - 203,000	122,000 - 137,000
2020	196,000 - 206,000	124,000 - 139,000
2021	198,000 - 208,000	125,000 - 140,000

If filing married-separate, the phase-out range is \$0 - \$10,000.

Employee Salary Deferral Limits for 401(k)s & 403(b)s

Year	Maximum Contribution	Catch-Up Contribution*	Total Contribution w/Catch-Up
2020	19,500	6,500	26,000
2021	19,500	6,500	26,000

Limits are per person; **not** per plan.

*Those who are 50 or older at year end can contribute an additional \$6,500. The catch-up contributions are also eligible for employer matching contributions if allowed by the plan.

SEP IRA Contribution Limits (Simplified Employee Pensions)

2020 The SEP limit for 2020 is 25% of up to \$285,000 of compensation, limited to a maximum annual contribution of \$57,000. This limit also applies to Keoghs and profit-sharing plans.

2021 The SEP limit for 2021 is 25% of up to \$290,000 of compensation, limited to a maximum annual contribution of \$58,000. This limit also applies to Keoghs and profit-sharing plans.

Catch-up contributions do not apply to SEP IRAs. They still apply to old SARSEPs in effect before 1997. No new SARSEPs were allowed after 1996.

SEP contributions can be made up to the due date of the tax return, including extensions. For example, a 2020 SEP contribution can be made up to April 15, 2021 or up to October 15, 2021 if a valid extension has been filed.

SIMPLE IRA Contribution Limits Contribution Limits for Salary Deferrals

Year	Maximum Contribution	Catch-Up Contribution*	Total Contribution w/Catch-Up
2020	13,500	3,000	16,500
2021	13,500	3,000	16,500

*Those who are 50 or older by year end can contribute an additional \$3,000. The catch-up contributions are also eligible for employer matching contributions if allowed by the plan.

Qualifying Longevity Annuity Contracts (QLACs)

For 2021, retirement account owners can purchase a QLAC with the lesser of 25% of their retirement funds or **\$135,000**. The 25% limit is applied to each employer plan separately, but in aggregate to IRAs.